

THE ANNALIST

A Magazine of Finance, Commerce and Economics

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Ten Cents



MORATORIA

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AMERICAN SNUFF COMPANY.

Memphis, Tenn., September 2, 1914.
A dividend of 1½% has this day been declared on the preferred stock of American Snuff Company, payable October 1st, 1914, to stockholders of record at the close of business September 15th, 1914.
While the earnings of the Company have been sufficient to warrant the payment of the usual cash dividend on the common stock, nevertheless in view of the conditions brought about by the European war, it is the judgment of the Directors that the cash of the Company should be conserved, and that the usual cash dividend on the common stock should not be paid, and in lieu thereof the Board of Directors has ordered distributed among the common stockholders of the Company 2,425 shares of the 7% preferred stock of P. Lorillard Company and 3,440 shares of the 7% preferred stock of Liggett & Myers Tobacco Company owned by the Company; said distribution to be made out of the surplus of the Company and amounting to .02204 6-11 of a share of P. Lorillard Company stock and .03127 3-11 of a share of Liggett & Myers Tobacco Company stock for each share of common stock held in American Snuff Company, and is to be made about October 1st, 1914, to common stockholders of record at the close of business September 15th, 1914. Transfer books will remain open.
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Liggett & Myers Tobacco Company.
St. Louis, Mo., August 31st, 1914.
A dividend of One and Three-quarters (1¾%) Per Cent. has been declared upon the Preferred Stock of Liggett & Myers Tobacco Company, payable on October 1st, 1914, to stockholders of record at the close of business September 15th, 1914. Checks will be mailed.
T. T. ANDERSON, Treasurer.

Liggett & Myers Tobacco Company.
St. Louis, Mo., August 31st, 1914.
The Transfer Books of the registered 7 per cent. bonds of Liggett & Myers Tobacco Company will close at 3 o'clock P. M., September 15th, 1914, for the payment of interest on said bonds, due October 1st, 1914, and will reopen at 10 o'clock A. M., October 1st, 1914.
T. T. ANDERSON, Treasurer.

SULZBERGER & SONS COMPANY.
The Board of Directors of Sulzberger & Sons Company has declared a quarterly dividend of one and three-quarters per cent. (1¾%) on its preferred stock, payable October 1, 1914, to the preferred stockholders of record at 3 o'clock P. M. on Tuesday, September 15, 1914. Checks will be mailed. The transfer books of the Company will be closed at 3 o'clock P. M. on Tuesday, September 15, 1914, and reopened at 10 o'clock A. M. on Thursday, October 1, 1914.
Dated New York, September 1, 1914.
NATHAN GRABENHEIMER, Secretary.

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MERGENTHALER LINOTYPE CO.

New York, August 31, 1914.
A regular quarterly dividend of 2½ PER CENT. and an extra dividend of ONE-HALF OF ONE PER CENT. on the capital stock of Mergenthaler Linotype Company will be paid on September 30, 1914, to stockholders of record as they appear at the close of business on September 15th, 1914. The Transfer Books will not be closed.
FRED K. J. WARBURTON, Treasurer.

THE NORTH AMERICAN COMPANY.

30 Broad St., New York, August 26th, 1914.
DIVIDEND NUMBER FORTY-TWO.
A quarterly dividend of ONE AND A QUARTER PER CENT. upon this Company's Capital Stock will be paid on October 1st, 1914, to stockholders of record at the close of business on September 15th, 1914. The stock transfer books will not be closed. CHECKS will be mailed to stockholders who have filed permanent dividend orders at this office.
J. F. FOGARTY, Secretary.

HOMESTAKE MINING COMPANY.

September 1st, 1914.
DIVIDEND NO. 478.
The Board of Directors has today declared a monthly dividend of Sixty-Five (65) cents per share, payable September 26th, 1914, to stockholders of record at the close of business September 15th, 1914. Checks will be mailed by Columbia Trust Company, Dividend Disbursing Agent.
FRED CLARK, Secretary.

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WHY ENGLAND AND GERMANY WENT TO WAR

The Official "White Papers" of Both Countries in Pamphlet Form

The full text of the White Paper of the British Foreign Office and the Memorandum issued by the German Government, both of which were printed exclusively in The New York Times, is accessible in a separate pamphlet, the size of The Annalist, and on paper of the same quality. This pamphlet is of inestimable value to all who wish to form a coherent and unprejudiced opinion of the relative position of Great Britain and Germany in regard to responsibility for the war. The diplomatic correspondence preceding the outbreak of hostilities cannot be obtained by the public in any other form.

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P. LORILLARD COMPANY.

New York, September 2nd, 1914.
Notice is hereby given that the Transfer Books of the Registered 7 per cent. Bonds of this Company will be closed at 3 o'clock P. M., September 15th, 1914, for the payment of interest thereon due October 1st, 1914, and will be reopened at 10 o'clock A. M., October 2nd, 1914.
WM. B. RHETT, Treasurer.

P. LORILLARD COMPANY.

New York, September 2nd, 1914.
Dividends of 1½ per cent. on the Preferred Stock and 2½ per cent. on the Common Stock of P. Lorillard Company have been declared, payable October 1st, 1914, to stockholders of record at the close of business September 15th, 1914. Checks will be mailed.
WM. B. RHETT, Treasurer.

NOTICE IS HEREBY GIVEN THAT THE Board of Directors of this Company, at a meeting held on Wednesday, the 12th day of August, 1914, declared the regular quarterly Dividend of three (3%) per cent., payable on the first day of October, 1914, to stockholders of record at the close of business on the 12th day of September, 1914. The transfer books of the Company will not be closed.
MCKINLEY-DARRAGH-SAYAGE MINES OF COBALTE, LIMITED.
HARPER SIBLEY, Treasurer.
Dated at Toronto, Ontario, Aug. 12th, 1914.

THE ANNALIST

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NEW YORK, MONDAY, SEPTEMBER 7, 1914

PROGRESS is being made in restoring the movements of trade. Ships are no more necessary to the transfer of goods from one country to another than are the credit facilities for the handling of those goods, and those facilities are now being increased. The agreement reached last week regarding the settlement abroad of what is owed there by New York City, and the similar treatment which is expected to be accorded to our other obligations on the other side are already finding reflection in the foreign exchange market. The decline in demand sterling from \$5.06 to \$4.98 means a very great deal. It means for one thing that the market is already anticipating the much freer trade movement which is expected to grow out of the definite agreement under which there is not likely to be any further discussion of the question whether or not we should pay our debts abroad in gold. The banking community is preparing to send out what gold may be needed, but in the confident belief that preparedness to ship gold will make it unnecessary to ship very much. The hesitancy which has been shown in this matter has raised some doubts on the other side that gold could be had here even in payment of actual debts to Europe. It is well that that doubt is soon to be dispelled.

THE plan which has been agreed to between the City of New York and the bankers who have undertaken to finance its maturing obligations provides for more than the mere payment of those obligations through the sale of other short-term securities. It provides for the eventual paying off of a large part of them out of annual income. Debts are not paid when new loans are made in their place. It has become fashionable to renew debts rather than to pay them, but it would seem now that a new and a safer fashion is likely to be set up. The experiences of the present time are likely to impress upon all borrowers that short term borrowings have disadvantages, when too freely resorted to, which more than offset their advantages. It was time that that lesson should be learned.

ABUSINESS undertaking which is left to its own devices has no special claim upon the Government for aught else than a fair field in which to reap the fruits of labor and of ability. The railroads are not so left but, on the contrary, are brought under the closest scrutiny and most rigid control by the public itself. That being true, the public is bound more than in the case of unregulated business enterprises to see to it that no unfair handicap is imposed upon the

railways. The public has further than that to safeguard the interests of the railways for the mere sake of safeguarding in the most real sense its own interest. These truths are simple enough, but not generally recognized as clearly as they ought to be.

JUST now the railroads are faced with the new problems which the interference with trade by the war in Europe superimposes upon those other problems of longer standing for the remedy of which the roads appealed last year to the Commerce Commission for an advance in rates. That appeal was in effect denied, and the roads were left to find other means of bringing their income and expenditures in more comfortable relationship. Those means the railways are now attempting to try out. The commission seemed willing that the railroads should charge more for their passenger service, if they could get it, and some are resorting to that expedient. But there would probably be little objection now to a more thoroughgoing measure of relief for the railroads. All freight rates perhaps should not be advanced, but some certainly could be without hardship. The Commerce Commission has twice formally refused a general advance in freight rates to the trunk line roads, and it might be futile again to try for such an increase in rates. Each of the inquiries undertaken upon the applications of the railways for a general advance resolved itself into an investigation of the reasonableness of many individual rates as distinguished from the rate fabric as a whole. If the railroads directed their present efforts to an increase in the freight rates on traffic, which is best able to stand an increase, success might attend the effort and enough be gained to improve the position of the railways considerably, even if it did not put them where they would like to be.

AUGUST 1 was originally set as the date for the establishment of the Federal Reserve Banks. Now Oct. 1 is named as the earliest date at which the Government members of the Board of Directors of the new banks are likely to be named. The wisdom of going ahead with the establishment of the reserve institutions at this time is being earnestly debated, although it should be self-evident that the new system should not be launched, except under conditions which will afford every possible opportunity for its being set up with the best possible promise of success. Could the banks be established at the present time with any such promise? It was recognized months ago that it would be better to start the new banks at a season when the demands on banking facilities are at a minimum. If the new banks were established now they would be set up not only at a season when money demands are normally large, but in a period of much financial disorganization. That has grown out of the war and is no fault of ours, but we must none the less take count of the facts as they are.

THE proposal that the banks should be allowed to use Federal Reserve notes as part of their required reserve up to 5 per cent. of their deposits is free of some of the objections which would attach to the use of national bank notes as reserves for the national banks, but it is not free of the objection that it would tend to cause inflation. So, too, it may be said, would the counting of deposits in the Federal Reserve banks as reserve, but if there is merit in the requirement of a minimum reserve to

be actually held in the vaults of the banks, it should be held in specie or its equivalent and not in a promise to pay.

THE Bank of France, the cables informed us last week, decided to transfer its cash and securities from Paris to Bordeaux, whither the Government of France removed against the probability of a siege of Paris by the German Army. By thus putting its treasure further out of reach the managers of the Bank of France reduced the urgency of the question whether its treasure would be regarded by the Germans as subject to seizure in case they succeeded in entering the French capital. A similar step was taken in 1870. At that time a large part of the cash of the Bank of France was removed to the ports of Bordeaux, Brest, and Toulon. Before Paris was besieged in 1870 other French banks had taken precautions against the consequences of the siege and the possible capture of the city. At least one of the large banks sent all its negotiable securities to London and a large part of them were sold there while Paris was under siege. There were heavy withdrawals from this institution, and it met them by obtaining advances from the Bank of France against the London credits created by the sale of securities there. The fact that that was possible then, while it would be impossible now because of the suspension of stock market operations, helps to emphasize the much broader scope of the financial disturbances which this, the greatest of all wars, has brought about.

MANY strange suggestions are born of a time like this. The South has been worrying over the handling of its cotton crop this year, which, thanks to belated bounty on the part of nature, promises a much larger yield than was thought likely two months ago. Cotton has declined in price, and the South would fain find some way of overcoming the law of supply and demand. The latest suggestion which comes from the cotton States is that as many individuals as possible in the South should take up one bale of cotton at 10 cents a pound. That might solve the question of financing the cotton crop, but it offers no solution at all of the problem involved in the possibility that this year's cotton crop may prove to be worth less than 10 cents a pound. It is certainly worth less than that in the market at present.

THE anxiety to reopen the security markets has produced some curious proposals. It is felt that it would be very inexpedient to resume general trading in stocks so long as there was likelihood of very heavy liquidation from abroad, and some propose that we should resume trading in stocks, but only for such stocks as we owned here. Quite apart from the bad faith which would be involved in attempting to exclude from this market the security holdings of foreign investors whom we have induced in the past to supply capital to this country, it would be proposing the impossible to maintain prices, if they needed to be maintained, by the simple expedient of shutting out those who might prove the principal sellers. That might force them to accept lower prices, but it could hardly shut them out entirely, and unless that were accomplished the effort to shut them out at all would hurt instead of helping. The plain fact of the matter is that there is no human way of avoiding the real losses which the war in Europe involves. The effort should be to minimize them to the utmost rather than to shut our eyes to them where they actually exist.

Relevant Annotations

By The Onlooker

THE frivolous fallacy that war after all is an economic blessing, and somehow creates a vast amount of special prosperity, is now coming into vogue. A little economic thinking leads to wonderful conclusions. The matter is thought to be proved with such assertions as that a great boom followed the civil war, that the same thing happened after the Spanish-American war, and that there was tremendous activity, with labor employed at high wages, after the earthquake in San Francisco. Therefore, the destruction of property is economically desirable.

A man under the delusion that he has thought his way to this conclusion, when, in fact, he has borrowed it unawares, is not easily persuaded to the contrary, because he does not know what he is talking about, and hasn't the patience to follow close economic reasoning. If you propose, for yet greater prosperity, deliberately and systematically to destroy all the property in the world, in order to build it up again, he says you are unreasonable and stops at that.

The destruction of useful property, like houses, buildings, roads, bridges, ships, machinery, &c., is a loss beyond the power of any economic sophistry to recall, and the world cannot be richer, cannot, indeed, pretend that it is not impoverished, on that account. There will be a seeming of local prosperity, perhaps, when the things destroyed begin to be rebuilt, and, as a rule, they are rebuilt more expensively than before, because that is the way of men; but all such activity and expenditure will be just so much that might have been—would certainly have been—employed to create additional wealth and not to restore that which was destroyed.

And yet the fallacy persists, and, as is true of most persistent fallacies, it has the pretense of being supported by experience. Instances of prosperity following war, and of marvelous economic recuperation from the wastage of war, are common and very frequent; but where they are not of such a localized nature as to be the experience of a victorious people at the expense of the conquered, they may be said to have occurred in spite of the cost of the devastation of war; and nobody can say, because a whole people were more prosperous after a war than before, that the same people would not have been much more prosperous still without the war.

In the first place, one must be definite as to the kind of property destroyed—whether it is productive or unproductive property. The destruction of useful and productive property is an absolute loss. But the destruction of warships, war engines, forts, and all the agencies of destruction may be not a loss at all, but a positive gain. That kind of property, in the economic sense, is not an asset but a liability; and when, at the end of hostilities, a great and costly war machine is scrapped, a saving in annual outgo is effected. A smaller proportion of the people's income is spent afterward for the maintenance of an unproductive military establishment, which, having been so heavily reduced, is slow to be restored. Therefore, when you add to the value of useful property destroyed the value also of all this unproductive property, which was, in fact, a liability, you have only exaggerated on that account the economic cost of a war.

Next there is the human factor of sav-

ing. A war forces people to practice frugality. In London today it is the custom of people of wealth to sit down to a one-course dinner; they make a virtue of it. But it is a great saving. In Wall Street brokers who before could not afford to be found out in any effort to economize, lest people think their business was on the verge of bankruptcy, boast of laying off their town house leases and of having resigned themselves to a Winter in the country. They will save money. Necessity makes saving fashionable again.

There is another kind of necessity. It is that of producing goods more efficiently, in order to produce them in adequate quantities and at a profit, with a sudden reduction in the amount of labor available and a consequent rise in the wages of labor. In obedience to this necessity, manufacturers and all other producers during war increase their efficiency. The introduction of labor-saving devices is greatly stimulated. Ingenuity commands a high premium. The scarcity of farm labor during the civil war forced agriculturists to adopt labor-saving implements. The result of all this is that after the close of a long war, when men return to the pursuits of peace, the means of production are wonderfully improved, and goods are produced more cheaply than before. That helps a people to recuperate.

But the war itself is not the author of any of these benefits, unless you choose to say that it is an indirect cause, by imposing upon men necessities which they are bound to meet. It is probable that the economic cost of war has always been exaggerated; it is none the less true that every war leaves the world as a whole impoverished, and if the effects are alleviated by any of the means suggested, it is a tribute to the peaceable genius of man and not to his qualities in war.

BALED cotton in warehouses is good security on which to lend money. So is tobacco, which in Colonial days served the function of money itself. If one objects to the arrangement to issue emergency currency on the security of cotton and tobacco, it is not on the ground that the security is undesirable or hazardous, but on the ground of its being specified, so that we shall have a kind of money to be spoken of as cotton money, and another kind to be spoken of as tobacco money. There is no reason why notes secured by cotton and tobacco warehouse receipts should not be accepted among other collateral as security on which the national banks, formed into currency associations, may take out emergency currency under the Vreeland act, pending the introduction of the Federal reserve system; but there is no reason, either, why notes secured by receipts for hundreds of other kinds of staple commodities should not be equally acceptable, without being specified. Indeed, they are acceptable, and will be accepted, no doubt, but purely in the course of banking, which is how cotton and tobacco notes should be accepted.

The notes specified by Mr. McAdoo shall have not more than four months to run. The Government will issue emergency currency against them up to 75 per cent. of their face value. This is a kind of accommodation the South has been clamoring for since one can remember, especially when it has had an extra large crop on its hands. It will doubtless be taken advantage of to

the utmost. Well, then, suppose cotton were to decline heavily in price within the period of four months, and the planters couldn't sell. They couldn't pay off their notes, and there would be nothing for it but to renew them and float the crop along. Suppose that were repeated several times, with the price of cotton steadily declining, until there came another very large crop, to increase the unsalable stocks beyond the capacity of the warehouses.

THE whole transaction tends to promote the notion that the Government, by enough interference, can save everybody from the consequences of the war. It will finance the cotton and tobacco crops with emergency currency. It is very definitely committed to that. It seems determined to create a merchant marine, without knowing whether it will pay, but because that is another way of trying to help. All of this becomes very popular with those benefited, and stimulates to envy those who are forgotten, so that the silver miners demand that the Government increase its purchase of silver to keep the silver business going on two legs, and the railroads may demand that, to meet this great emergency, the Interstate Commerce Commission be directed to reconsider its niggardliness and allow them to advance rates 5 per cent. or more. That is to say, if everybody can raise prices, (except of course the vendors of food,) and if enough money can be printed, the American people can somehow escape the consequences of the European war. Of course, the Government will have to increase its own revenue by new forms of taxation, but that is spreading the loss everywhere, so that nobody need feel it much. It is fortunate that there is an elastic currency available for the great emergency, and that the Government is alive to its responsibilities; but if it were able to trust somewhat more to bankers who on the whole have managed the country's credit pretty well, and to business men who know business, and less to its own omniscience, it might be very much better in the end.

AFTER the New York City Commission on Food Investigation had reported that among other very obvious causes for the war rise in food prices was "the heavy buying of household supplies by housewives against future needs," the popular cartoonists and editorial writers took delight in showing all the "Food Barons" hiding behind that sentence and pointing around the edge of it at a wan, anaemic housewife, carrying an empty market basket. Why not? The Government, in charging the District Attorneys to make a nation-wide investigation referred to "the rapid and unwarranted increase in the prices of foodstuffs in this country upon the pretext of the conditions existing in Europe." That is to say, the District Attorneys were not to determine whether the rise was unwarranted and had taken place upon pretext, but to investigate phenomena declared beforehand to be unwarranted and based upon pretext. So is prejudice fomented. No wonder the question of inventing a merchant marine with the magic and money of the Government is not referred to men who engage in shipping and might be presumed to know something about it. They are not to be trusted. They would give biased testimony, of course. Have they not refused themselves to create a merchant marine, on the pretext that the capital is hard to find and might not be profitable?

Onlooker

Spread of the Moratoria

Nineteen Countries Have Resorted to the Suspension of Debts as a Measure of Relief from the Credit Dislocations Caused by the War—Our Substitute for a Moratorium in 1907

WAR throughout Europe has made "moratorium" a commonplace word. As rapidly as the war itself spread, moratoria were declared in country after country to protect business communities from the consequences of the sudden stoppage of payments between countries.

It has even been proposed that a moratorium should be declared here! The suggestion shows how readily a new idea is incorporated into public thought. The fact that there is neither need of a moratorium here, nor power anywhere in the land to declare one, did not stand in the way of the proposal being made.

A moratorium is a new thing in England. It is a more familiar expedient on the Continent and in other countries which have borrowed their legislation from Continental systems of law. Moratoria flourish best where ex post facto laws are less repugnant than they are under the American scheme of legislation. It is because it alters the terms of contracts that a moratorium seems to have no possible place in any steps which might be taken here to meet the extraordinary conditions which came in the wake of the war in Europe. But by indirection the equivalent of a moratorium could be established in the States of the Union. It was in several of them in the panic of seven years ago.

WIDESPREAD USE

The moratoria of the Continent had their beginning in Roman Law. They were resorted to on a number of occasions in the past, but never until now has such widespread use been made of this expedient. Never before was there such need of it.

Differing widely according to the special circumstances and special requirements of the countries in which they are declared moratoria consist in their essence in postponing the maturity of obligations in a time of great crisis. It has not always been a war crisis which has led to the resort to a moratorium.

THE MORATORIA

Here is at least a partial list of the countries which, according to press dispatches and other advices, have resorted to moratoria or similar devices, such as extended bank holidays, or which have at least passed special acts authorizing a resort to a moratorium:

Argentina,	Germany,
Austria,	Italy,
Brazil,	Norway,
Bulgaria,	Peru,
China,	Russia,
Cyprus,	Sweden,
Denmark,	Switzerland,
Egypt,	Turkey,
England,	Uruguay.
France,	

In Canada a law authorizing a moratorium has been passed, but no proclamation has been issued. In Spain a practical suspension of banking resulted from the moratorium in France.

The moratorium in which this market has been most keenly interested is that which was declared in England. It was

the first time that Great Britain resorted to this expedient. Authority was given in this act of Parliament, which was passed on Aug. 3:

1.—(1) His Majesty may by proclamation authorize the postponement of the payment of any bill of exchange, or of any negotiable instrument, or any other payment in pursuance of any contract, to such extent, for such time, and subject to such conditions or other provisions as may be specified in the proclamation.

(2) No additional stamp duty shall be payable in respect of any instrument as a consequence of any postponement of payment in pursuance of a proclamation under this Act unless the proclamation otherwise directs.

(3) Any such proclamation may be varied, extended, or revoked by any subsequent proclamation, and separate proclamations may be made dealing with separate subjects.

(4) The proclamation dated the third day of August, nineteen hundred and fourteen, relating to the postponement of payment of certain bills of exchange is hereby confirmed and shall be deemed to have been made under the act.

2.—(1) This act may be cited as the Postponement of Payments act, 1914.

(2) This act shall remain in force for a period of six months from the date of the passing thereof.

PROCLAMATION

Under the terms of this act the moratorium was put into effect through the following proclamation:

If on the presentation for payment of a bill of exchange, other than a check or bill on demand, which has been accepted before the beginning of the fourth day of August, nineteen hundred and fourteen, the acceptor reaccepts the bill by a declaration on the face of the bill in the form set out hereunder, that bill shall, for all purposes, including the liability of any drawer or indorser or any other party thereto, be deemed to be due and be payable on a date one calendar month after the date of its original maturity instead of on the date of its original maturity and to be a bill for the original amount thereof increased by the amount of interest thereon calculated from the date of reacceptance to the new date of payment at the Bank of England rate current on the date of the reacceptance of the bill.

This had to do only with bills of exchange, but a subsequent proclamation,

covering bank deposits, was issued. The purpose of this second step was thus described by Mr. Lloyd George, whose words we quote from The London Economist:

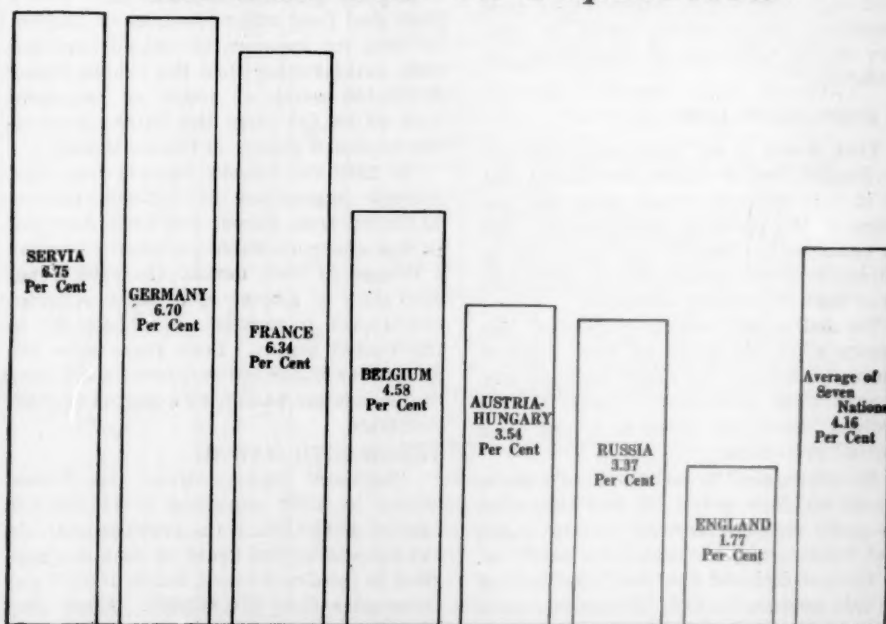
It was felt that the moratorium ought to be for a month, and that that would leave an ample margin to enable trade to adapt itself to present conditions and resume its ordinary course. Bills, checks, drafts, &c., presented to clearing houses would be dealt with as usual, subject to discretion in exceptional cases. Crossed checks, therefore, should be used in the ordinary way wherever possible. That meant that the bankers considered themselves in a position to resume the ordinary normal course of business, but when they said they must have discretion in exceptional cases with regard to checks passing through the clearing houses, it meant that it must not be used for the purpose of defeating the moratorium and passing checks through the clearing houses in order to withdraw an exceptional amount of gold for hoarding. Any ordinary transaction would be treated in the same way as it used to be before the moratorium. The banks felt themselves in a position to do so, and they were making arrangements whereby cash and legal tender would be available for wages, salaries, and the normal cash requirements of daily life.

TERMS RESTRICTED

The English moratorium is more restricted and simpler in its form than those declared in some other countries, regarding which more or less detailed information has been received here. The French moratorium covered some other debts besides those on bills of exchange, and the liabilities of banks to their depositors. In the case of the latter, banks were relieved of paying out to their depositors anything more than 5 per cent. of their balances. Upon the extension of the French moratorium at the beginning of this month this percentage was enlarged. The English moratorium, likewise, was extended last week for another thirty days, as was also the moratorium in Italy.

Germany has had resort to this measure of protection, but while the length of the moratorium is greater there than in most other countries, namely, three months, it is restricted to obligations on foreign bills of exchange. In Germany, however, as elsewhere in the countries directly affected by war, the postponing of the due date of certain obligations was only one

The War Tax on Population



The seven nations now engaged in the great European war have an estimated population of 372,372,000, and at war strength their armies comprise about 15,480,000 men. Thus, not allowing for the great additions to their forces by calls for volunteers, &c., 4.16 per cent. of their population is engaged in war. The war strength of Serbia is greater in proportion to her population than any of the others. Germany is a close second, and France not far behind. England has the smallest proportion of her people at war of any of the nations, with only 1.77 per cent., and from this it would seem that her relative reserve strength is much greater than that of any of the other combatants.

of the many measures taken to meet the exigencies of the situation.

Prior to the present moratorium the chief resort to this means of protection during the past quarter of a century was the use made of it by Greece and some of the Balkan States during the Balkan wars. The French moratorium resorted to during the war with Prussia was prolonged far beyond the ending of that war. It was first declared, by Emperor Napoleon III., on Aug. 13, 1870. It was to last for thirty days, but the Emperor himself had fallen from power before that period elapsed. On Sept. 10 the Government of National Defense extended the moratorium for thirty days, and each month re-extended it up to March, 1871. At that time monthly extensions were abandoned for a more permanent treatment of the problem.

IN 1870

A law passed on March 10, 1871, provided that all bills which fell due between Aug. 13 and Nov. 12 of the previous year should become payable seven months after their original due date, and ten days instead of only one day were allowed for the protesting of bills. On April 26 still another law was passed putting off payment on all bills payable in the Department of the Seine, in which Paris is located, until ten days after the resumption of postal service between Paris and the rest of France. Postal service was resumed on July 1, 1871, and under the April law bills were to become payable the 10th of that month, but on the 7th another act was passed giving four more months of grace.

Out of this moratorium litigation arose in the English courts through efforts to recover from the drawers of bills moneys paid out by indorsers who had to make good the refusal of payment by French acceptors at the expiration of the prolonged moratoria. In one case, that of Rouquette vs. Overmann and Shou, which was decided in the Court of the Queen's Bench, July 5, 1875, Cockburn, C. J., the validity of the postponement of the maturity of the bills through the medium of a moratorium was upheld. In that decision the Court said:

"The power of a Legislature to interfere with and modify vested and existing rights cannot be questioned, although no doubt such interference, except under most exceptional circumstances, would be contrary to the principles of sound and just legislation."

EX POST FACTO LAW

That power is not now questioned under English law, or under Continental law, but it is completely denied under the provisions of the American Constitution. But the power to accomplish the same end by indirection is not denied, or, at all events, it has been practically exercised.

The difficulties which confronted this country after the panic of 1907 made it extremely difficult for many business men to meet their obligations. Some of the Western States took steps to afford them unusual protection.

Nevada began the declaration of a series of legal holidays on Oct. 24, two days after the panic entered upon its violent stage. That State continued its holidays until Nov. 4. Oregon declared the first legal holiday for this purpose on Oct. 28, and continued them day by day up to Dec. 14. California declared the first holiday on Oct. 31, and continued this form of postponement of payment until Dec. 21. The record of that period showed once again that what cannot be done under the law by direction can often be done by indirection.

Our 'Colonial' Trade

Commerce With Our Insular Possessions Has Grown Greatly in the Years Since the Spanish War Made the United States a Colonial Power, but Our Share of It Has Not Increased Steadily

THE United States has no complaint to make about the commerce with her territory that is not contiguous to the country's main shore lines. Porto Rico, Alaska, Hawaii, and the Philippines are here referred to, the "colonies" of the United States. In the past fifteen years the imports of these distant regions from the larger body have increased three and a half times, while exports made to the United States proper have advanced nearly fourfold, and there was a substantial amount of trade going on before the days of the Spanish war, which made the United States a colonial power.

In the recent debate at Washington preliminary to the passage of the emergency shipping law the contention was made by opponents of the measure that ships sufficient to break the congestion in North Atlantic traffic could be taken from our insular merchant service and the South American and Asiatic trade. There was an instant challenge to this suggestion. Our domestic trade, whether along the coasts or to the possessions remote, needed every available vessel, it was said, and steamship men upheld this statement.

A NEW STARTING POINT

The year 1899 was a new starting point in our own trade with our insular possessions. In the preceding year the Spanish war brought us Porto Rico and the Philippines. Alaska had long, and Hawaii for a considerable time, been owned, but their trade records had not been kept in any great detail; in fact, the annual reports of the Bureau of Foreign and Domestic Commerce did not contain an account of exports from Alaska to the United States until 1903.

Before Porto Rico was ceded to the United States it was natural that much of its imports should come from Spain, with a great deal from other countries of Europe. In 1906, for instance, the island imported from nations other than the United States \$9,529,440 worth of goods, as compared with \$2,646,519 from the latter. Annexation worked a change in this particular.

In 1902 the island's imports from this country aggregated \$10,882,653, against \$2,326,957 from Europe and South America. In case of exports there was almost as great a change in the interval. In 1896 Porto Rico sent to Europe and South America \$10,515,375, in contrast with \$1,699,704 to the United States. Four years later the record was \$8,378,766 in favor of the United States, against \$4,055,190 exported to other countries.

TRADE WITH HAWAII

Hawaiian imports from the United States in 1899 amounted to \$15,020,830, against \$8,695,592 in the previous year. In the succeeding two years no data was supplied to the Government, but in 1903 it was no greater than \$10,943,063. After that there came a steady increase, while imports from other countries receded, until in 1913 the total of goods taken from the United States reached \$30,646,089. In the same period exports to the United States increased from \$26,242,869 to \$42,713,184.

The change of allegiance, with accom-

panying alterations of government, did not bring an immediate expansion of trade with the United States on the part of Porto Rico and the Philippines. In case of the Eastern islands a check was placed on commercial relations by the process of pacifying a number of the tribes which did not take kindly to the institution of American ideas of law and order. For this reason, largely, the ratio of trade with the United States from all her non-contiguous territory, as compared with commerce with other countries, showed a recession in several years following 1899, and definite improvement did not appear for some time.

EARLY TRADE

These figures show the amount of imports from and exports to the United States for a five-year period, as contrasted with the trade with other dominions:

	IMPORTS.		Ratio of U. S. to Other Nations.
	From the United States.	From Other Countries.	
1899.....	\$29,768,812	\$19,058,942	60.9
1900.....	32,784,892	22,815,717	58.1
1901.....	32,278,093	32,768,719	40.9
1902.....	33,917,896	33,981,386	49.9
1903.....	36,682,707	34,850,701	51.2

	EXPORTS.		Ratio of U. S. to Other Countries.
	To the United States.	To Other Countries.	
1899.....	\$29,516,210	\$15,681,714	64.2
1900.....	20,352,539	18,670,638	52.1
1901.....	36,116,216	26,300,135	58.1
1902.....	30,800,569	22,966,694	50.7
1903.....	61,385,693	24,941,322	71.1

The record of exports was made incomplete by the absence of figures for Alaska, as regarded traffic with the United States, in the first four years. In the next five years, on full figures, one finds a decided improvement in the proportion of the trade done with the United States:

	IMPORTS.		Ratio of U. S. to Other Countries.
	From the United States.	From Other Countries.	
1904.....	\$37,692,779	\$34,951,510	51.8
1905.....	42,992,003	32,168,837	57.2
1906.....	50,462,276	28,188,690	64.1
1907.....	63,680,134	32,497,483	66.2
1908.....	59,372,921	34,436,532	63.0

	EXPORTS.		Ratio of U. S. to Other Countries.
	To the United States.	To Other Countries.	
1904.....	\$58,147,996	\$25,294,239	69.6
1905.....	78,214,672	20,908,715	78.9
1906.....	66,846,408	25,846,503	72.1
1907.....	75,376,348	28,279,920	72.7
1908.....	75,255,084	29,702,088	71.7

OUR SHARE DECLINES

Imports from the mainland in 1908 declined 3 per cent., as compared with imports from other countries, and exports to the United States stood practically even with 1907 after having made a notable increase in this year over 1906. The final five-year period, bringing the record down to 1914, gives the highest ratio of trade with the United States, although exports failed to show steady progress:

	IMPORTS.		Ratio of U. S. to Other Countries.
	From the United States.	From Other Countries.	
1909.....	\$63,853,693	\$30,707,313	67.5
1910.....	77,103,455	35,055,212	68.7
1911.....	92,286,523	40,361,723	69.5
1912.....	103,145,250	44,579,700	63.0
1913.....	110,015,441	42,741,357	70.8

	EXPORTS.		Ratio of U. S. to Other Countries.
	To the United States.	To Other Countries.	
1909.....	\$90,153,498	\$24,820,398	78.4
1910.....	109,461,313	28,461,792	79.3
1911.....	109,051,447	30,082,018	78.3
1912.....	141,237,312	37,017,416	79.2
1913.....	127,735,679	44,606,020	74.1

The war in Europe and the new tariff supply factors affecting the commerce of the outside possessions of the country which may bring important results this year. Sugar is one commodity which will be

greatly influenced. Last year Porto Rico shipped to the United States \$26,619,158 worth of raw sugar, the major part of her crop, while Hawaii sent here \$35,235,170 worth. Europe, which normally takes little of the Cuban crop and practically none of Porto Rico's, is already competing in our markets for the output of these islands.

Outside of matters which contain potential causes for temporary reactions in the country's trade with its colonies, there are others in evidence that point toward a greater expansion than has been displayed in fifteen years. Exporters and importers of Porto Rico, and the same probably applies to the Philippines, say that the period has laid only the groundwork for the exchange of products. The American regime was far different when it began in these Spanish islands from what the dwellers therein had been accustomed to. There was antagonism displayed in some directions which continued for years. The introduction of American methods in the production and marketing of commodities made no more than gradual progress in some portions of the insular domain, but recently important advances have been reported.

MAKING PROGRESS

American manufacturers have lately been more keen than before in the search for a market for their goods, and have cut into the trade of European contemporaries on a broad scale. Improved methods of cultivation have increased output in the islands, and American buyers have been increasingly diligent in their pursuit of semi-tropical products. To those outside of shipping interests who profess to know conditions, as well as to those within, the point seems to have been well taken in recent weeks that our colonial trade needs all the ships that are in it.

Meeting War Crisis in France

Measures Taken in Paris in Early Days of Conflict Before Siege Was Thought of as an Immediate Danger, to Supplant Old Banking Methods by Emergency Expedients

PARIS, Aug. 18.

AS the war drum goes further from Paris toward the front, old necessities of life make themselves felt; the economic existence of the nation wakes from the stupor into which the clash of arms had thrown it and commands immediate attention.

By falling into shape, slowly but surely, events disclose many serious consequences of the moratorium on general interests. Discounts of first-rate bills, loans to the Stock Exchange under the guarantee of syndicated Agents de Change, and deposits in current account were on a crescendo scale, the usual means offered to business people for putting by moneys which would be required at special dates. Of a sudden, all these reserves were rendered temporarily unavailable, and manufacturers and merchants found themselves unable to continue their work for lack of means, even apart from the trouble in the labor market caused by mobilization. The thing that brought on the official suspension of the money market was the necessity to save the deposit banks from an untimely death, and to spare the Syndicate of Agents de Change the shame of being declared insolvent.

Had the recent issue of Government 3½s occurred in time, say in December last, it would by now have been duly ab-

sorbed by investors, and France might have approached warfare with an exchequer even sounder than her present one. The end of July liquidation would have been got through in regular manner, releasing all private advances to the Bourse, which would have been easily replaced by loans at the Bank of France on the increased circulation. That would also have given to our manufacturers the means of meeting urgent needs, without bleeding banking institutions on the verge of death.

In a sudden crisis like the present one, interests overlap in such tangles that by touching any of them one brings about a general collapse. Thus, to save banks and agents, the whole financial life had to be momentarily paralyzed.

Such a thing had not occurred even in 1870, when current accounts were purposely excluded from the moratorium for the reason that "through the disposal of their funds with the banks all merchants and manufacturers must find the means of continuing their activity, while by shutting off the flow of money one cannot but kill trade."

RESULT OF CONCENTRATION

At that time, however, banking conditions were different. Private houses of moderate size were the rule. They knew their customers personally, and were, in a way, their partners. Too much concentration has led since to an excess of deposits and, consequently, to overdiscounting at large. International financial relations grew very intimate, credit facilities were given without a thought to a possible European outbreak of which everybody spoke and in which nobody believed.

When everything goes back to its usual position it is expected that measures will be taken to put the French banking system on another basis; to the amount of deposits a corresponding liquid reserve may be enforced, but until then we shall have to live on expedients, such expedients as will cause the least possible amount of injustice and discomfort to the many.

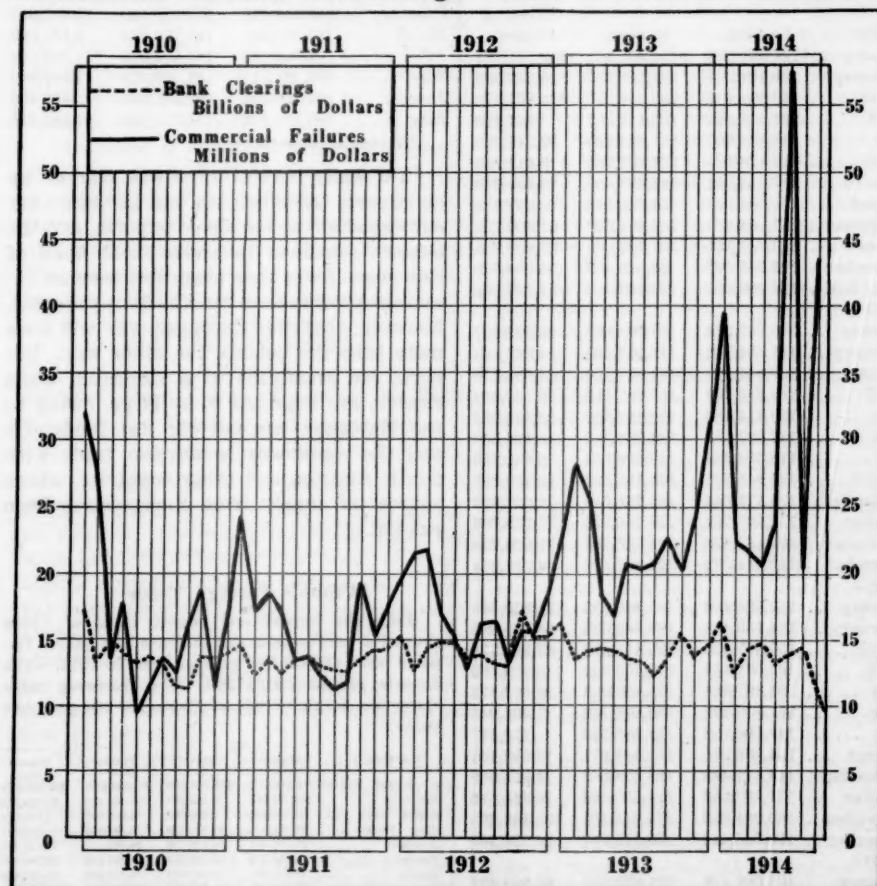
French and foreign companies and foreign Governments find themselves in a curious predicament as to the payment of their coupons in Paris. Their remittances made before Aug. 1 for coupons due after that date are locked up by the moratorium, so that these debtors may be declared in default although they paid out the amount of their debt. The same applies to those companies which put the money with their bankers for dividend purposes and cannot disburse it now.

Will deposits forcibly detained by bankers now carry interest? Will the bills protracted to a further due date have to be paid plus moratorium interest and, eventually, at what rate? Innumerable such questions crop up on all sides; and answer must be given to them soon if confidence in French business methods is to be retained.

EVERY-DAY NECESSITIES

Where the credit machinery now plays the biggest part is in providing work for the masses. Orderly Parisian crowds have shown us their excellent behavior, but hunger is a bad adviser, and idle throngs are apt to become unruly. Heroics pass, but every-day necessities are everlasting. Behind the admirable organization prepared by staff officers there must come a civil administration of national defense to protect all vital forces. Three million Frenchmen carry arms, but they leave behind

Course of Bank Clearings and Business Failures



Above is plotted monthly bank clearings in the United States in contrast with the liabilities of commercial failures. As bank clearings are a measure of the volume of business, it is natural for a rise in that line to be followed by a fall in the line of failures, and for a decrease in clearings to be followed by an increase in failures. Though there are some exceptions, that tendency seems generally to hold true.

them thirty-five million kinamen who must live on pacific energies and must not forget how to work.

Military mobilization went splendidly, because everything had been foreseen; the civic mobilization is improvised, but so great are the efforts and so willing the support on all sides that results will soon outrival those achieved by the military staff in its sphere.

From the first day every soldier's wife, sister, or mother had a subsidy; 25 cents for each adult and 10 cents for each infant. At a similar rate many department stores paid their employes until work could be resumed. Little by little popular refectories are opened in the suburbs and rations are served out to families in need.

THE NEED OF WORK

This is sacred, blessed work, but—at best, a makeshift. If continued indefinitely such assistance would turn a very thrifty, hard-working nation into a national poorhouse. What the working classes need is work, and it is cheaper for the Government to provide them with it, even if a loss of money is to result from it.

A movement is on foot to obtain from the banks reimbursement of old deposits up to 5,000 francs, plus 25 per cent. on the balance. However, this would be insufficient, it is thought, as the remaining restraint would act as a deterrent to private enterprise, and what would be got out of the banks would immediately be hoarded and lost to the general good. What is necessary, it is being argued, is the abrogation of the moratorium and the resumption of banking business as it was ante-bellum. Is that possible without smashing the banks and the Bourse?

BANK RESOURCES

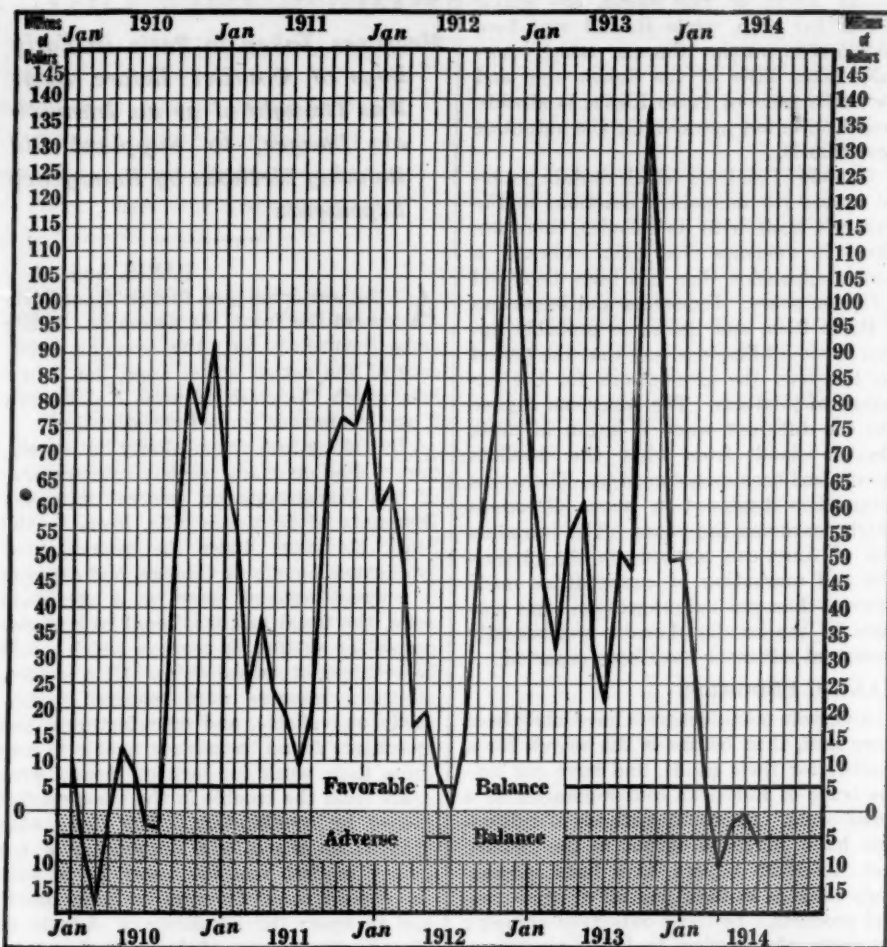
On June 30 the four big banking institutions of France had in trust 5,800,000,000 francs, against readily realizable assets of 4,200,000,000 francs, or 77 per cent. Although no balance sheet has been published since, it is estimated that a little under half the amount of deposits has been withdrawn before and during the moratorium. That would leave two billions and a half to be repaid as against one and a half billions quick assets. Admitting that one-half such assets consists of foreign bills and foreign Treasury notes which cannot be collected at present, it would be necessary to provide the institutions with two billions good money in order to enable them to meet their obligations at sight were the moratorium quashed. In guarantee for such advance the institutions could offer:

	Francs.
Their joint capital and surplus, amounting to.....	1,500,000,000
Advances on securities and securities owned.....	1,000,000,000
The balance of their bills not negotiable as above.....	750,000,000
Total	3,250,000,000

A RELIEF PLAN

This is much more than the amount required. According to a plan now discussed such assets would be pooled and a bank (not the Bank of France) appointed by the Government would appraise them, delivering "joint-bank certificates" for the estimated value fixed by a special discount committee. The Bank of France would then discount such certificates on the joint indorsement of all the institutions which would benefit by the arrangement and on the Government's guarantee, until such time when the financial sang-froid having returned all certificates could be redeemed with sums redeposited by the public. By many the plan is thought simple enough, but hardly practicable.

Our Balance of Trade



THE monthly trade balance of the United States since January, 1910, is shown in the accompanying chart. Following are the monthly figures of imports, exports, and the balance for each month covered by the chart:

	Imports.	Exports.	Excess of Exports.
1910.			
January ..	\$133,670,278	\$144,461,435	\$10,791,157
February ..	130,117,980	124,558,030	*15,559,950
March	162,999,435	143,657,857	*19,341,578
April	133,921,911	133,110,253	*811,658
May	118,837,907	131,083,890	12,245,983
June	119,876,487	127,887,780	8,011,293
July	117,315,591	114,627,492	*2,688,099
August	138,358,307	134,666,378	*3,691,929
September..	117,264,513	168,873,643	51,609,130
October ...	124,046,331	207,709,086	83,662,755
November .	129,785,537	206,620,377	76,834,840
December .	136,709,874	229,002,683	92,292,809
1911.			
January ..	130,561,234	197,083,391	66,522,157
February ..	121,694,740	175,957,305	54,262,565
March	139,041,928	161,933,204	22,891,276
April	119,826,706	157,987,550	38,160,844
May	129,814,160	153,152,353	23,338,193
June	122,807,184	141,706,737	18,899,553
July	118,054,204	127,696,954	9,642,750
August ...	125,945,385	144,185,193	18,239,808
September..	125,171,644	195,798,647	70,627,003
October ...	132,605,751	210,365,516	77,759,765
November .	126,162,022	201,752,760	75,590,738
December .	140,674,202	224,907,136	84,232,934
1912.			
January ..	143,586,408	202,446,273	58,859,865
February ..	134,188,438	198,844,326	64,655,888
March	157,577,038	205,411,462	47,834,424
April	162,571,159	179,300,342	16,729,183
May	155,697,886	175,380,058	19,682,172
June	131,030,797	138,283,742	7,202,945
July	148,666,738	148,885,355	218,617
August ...	154,756,770	167,844,871	13,088,101
September..	144,819,493	199,678,062	54,858,569
October ...	177,987,986	254,633,504	76,645,518
November .	153,094,898	278,244,191	125,149,293
December .	154,095,444	250,315,807	96,220,363
1913.			
January ..	163,063,438	227,032,936	63,969,492
February ..	149,913,918	193,996,942	44,083,024
March	155,445,498	187,426,711	31,981,213
April	146,194,461	199,813,438	53,618,977
May	133,723,713	194,607,422	60,883,709
June	131,245,877	163,404,916	32,159,039
July	139,061,770	160,990,778	21,929,008

August ...	137,704,195	187,812,636	50,108,441
September..	171,084,843	218,240,001	47,155,158
October ..	132,949,302	271,861,464	138,912,162
November .	148,236,536	245,539,042	97,302,506
December .	184,025,571	233,195,628	49,170,057

1914.			
January ..	154,742,923	204,066,603	49,323,680
February ..	148,044,776	173,920,145	25,875,369
March	182,555,304	187,499,234	4,943,900
April	173,762,114	162,552,570	*11,209,544
May	164,281,515	161,732,619	*2,548,896
June	157,529,450	157,072,044	*457,406
July	160,178,133	154,082,225	*6,095,908

*Excess of imports.

The early part of 1910 was marked by an adverse trade balance, but in September our exports rose far above imports, and the balance remained favorable until April of this year. Since then there has been an excess of imports each month. It is expected, however, that the European war will once more turn the balance the other way. Imports are practically at a standstill, while exports are expected to be large, owing to the European demand for our foodstuffs and the movement to develop trade with South America and other countries, whose sources of supply from Europe have been cut off.

China's Foreign Trade

Both the import and export trade of China showed a very substantial increase last year. Imports were \$66,126,863 greater than in 1912, while exports gained \$20,227,951. The following table shows the foreign trade of China for the past two years:

	1912.	1913.
Countries.	Imports from—	Exports to—
U. S. and Hawaii	\$26,756,177	\$25,936,937
Hongkong	109,373,008	76,584,232
British India	34,518,623	5,663,890
Great Britain	55,383,585	11,765,720
Germany	15,636,161	16,610,736
France	2,169,956	28,718,762
Russia	15,711,805	33,445,624
Japan and Formosa	67,352,322	46,683,883
Singapore	8,367,629	4,601,217
Belgium	4,476,106	4,850,682
Other countries	16,307,635	31,163,469
Total	\$350,691,863	\$274,155,698

It will be seen that Hongkong still holds the premier position in China's trade.

Foreign Correspondence

LONDON is steadily recovering its ability to handle business, but Paris, with the departure of the Government to Bordeaux, and the near approach to the city of the German forces, ceased to do practically all of the little business which it had been doing since the outbreak of the war. The Paris Bourse was closed on Thursday, the Grain Exchange ceased to operate, and most of the banks, with the exception of the American institutions, went to Bordeaux when the Government moved thither. In London the moratorium is being availed of as sparingly as possible, and the British Government has taken further steps to restore trade to something like usual working order. Negotiations are under way in London looking to co-operation with New York in the settlement of the international exchange situation. From Berlin came at the middle of last week much belated correspondence in which the ability of the Imperial Bank of Germany to carry an enormous amount of additional circulation is pointed out.

STANDSTILL AT PARIS

Many Banks Follow the Government to Bordeaux and Practically All Business Ceases

By Cable to The Annalist

PARIS, Sept. 6.—After the Agents de Change had deserted the floor for the first three days of the week the Bourse was closed indefinitely on Thursday by order of the Prefect of Police. The Grain Exchange is not in operation owing to the lack of transportation.

Many banks removed their headquarters to Bordeaux following the transfer of the Government to that city, but American institutions are remaining here to serve the few tourists who are still in Paris. The Bank of France is refusing to take deposits in Paris in small silver, but accepts without restrictions notes which can be cremated immediately.

Business is almost at a complete standstill, the little that is being done being principally in foodstuffs for the Government. These are now being dealt in without the intermediary of the Grain Exchange. The Foreign Exchange market is absolutely nominal. Dollars are quoted around 5.10.

DISCOUNTS FREER

Further Steps Taken at London to Help Finance Trade—Steady Recovery Is Now Under Way

By Cable to The Annalist

LONDON, Sept. 5.—Recovery is going on steadily. The war situation is regarded with quiet confidence. The Bank of England is strengthening its position daily, and the joint stock banks have reduced the rate allowed on deposits to 3 per cent. The abundance of funds is causing demand for the best class of bills, the supply of which is small. The open market discount rate is now 4½ per cent.

The moratorium is being availed of as little as possible. The Government made an important announcement today regarding foreign exchange business. It is to the effect that the Bank of England will provide funds for acceptors with which to meet bills accepted prior to the outbreak of the war for which no funds are received from the drawer of the bills. This will enable the accepting houses to engage in fresh business. As to fresh bills, the joint stock banks, in

co-operation if necessary with the Bank of England, will provide funds for acceptors who have money due them by effects when the banks are satisfied regarding the nature of the transaction and the reasons for non-payment. This does not seem to apply to business with the United States.

The British Government is negotiating today with a view to assisting in the opening up of the exchange market. No advance announcement can be made regarding the result of these negotiations, as the matter is one of much importance, but as the scheme has been drafted after consultation with all parties its success may be hoped for.

The Stock Exchange seems no nearer reopening than it was a week ago, even for cash trading. The transactions at private sale are insignificant.

Unemployment is not increasing except in cotton factories, and at east coast ports, while enlistment, which is proceeding rapidly, is producing fresh openings for men displaced.

ENGLAND'S SHIPPING

Control of the Seas Gives Confidence and She Is Making an Organized Effort to Capture German Trade

Special Correspondence of The Annalist

London, Aug. 21.

IT may seem impossible, but it is the truth, that the nation has practically forgotten its navy, and the watch in the North Sea. It is assumed that all is well by sea. Subject to the great reservation that the German fleet is in being and unbeaten, the assumption is well founded. That the Government believes that Germany is for the present powerless to interfere with commerce, we have proof in its reduction of premium for its war risk insurance from 4 to 3 guineas per cent.

The proposed transfer to your flag of the big German cargo liners now held up in United States ports will excite some controversy here, no doubt, but the sensible view will probably prevail, that we here have more to gain than to lose by such an operation. It will facilitate exports from the United States to Europe, and particularly exports of grain hither, which, above all things, we desire to facilitate. No doubt the transfer must be a permanent one, but no doubt also the United States Government would never propose any merely colorable transfer. Whatever the yellow press may say, public opinion will probably favor a transfer, which, after all, will permanently weaken the German commercial marine, and will bring us our wheat quicker.

War risks for the present prevent gold from being shipped. It appears that New York bankers are unwilling to send gold to Ottawa. Unless somebody can think of some fresh device—and none suggests itself—it seems that we must wait for the current of cargoes shipped from you to us to give you credits here, and thus to solve the difficulties of remittance and exchange. That must be a slow business. The more it is accelerated by the deposit of gold at Ottawa, which will be released again automatically as the grain arrives and your credits increase here, the better for us, and the better for you also. Because as long as we are tied up your trade cannot move freely.

In the organized effort to capture German trade we need see no movement of malice or revenge. It is a simple effort of self-preservation. By the war we are shut off from many of our Continental markets, even those in allied countries, such as Russia, our passage to which by the Sound or the Dardanelles, is closed, or in neutral countries such as Switzerland, which is isolated by the congestion of Continental railways. We must have fresh markets, and we must make new things to take the place of those for which all demand has ceased.

Two circumstances make it possible to take advantage of Germany's industrial extremity. We have command of the sea; and our industrial population is not under arms. How far our manufacturers are able to make use of the present opportunity must depend on their own quickness and cleverness.

REICHSBANK'S STRENGTH

Just Before the War Started It was in an Unusually Strong Position, as Were General Credit Banks

Special Correspondence of The Annalist

BERLIN, July 30.

THE war clouds which have suddenly arisen on the Continent have nowhere produced a more profound effect upon the financial markets than in Germany. A comparative tabulation of quotations of July 15 and 25 showed that the stocks of twenty-three leading German joint stock companies, representing an aggregate capital of about \$350,000,000, had lost fully \$60,000,000 during the ten days in question; and this week further considerable losses have occurred. Bank stocks are traditionally much steadier than industrial; but the stocks of the thirteen chief private banks of Germany lost nearly \$10,000,000 in the period mentioned, their aggregate capital being about \$377,000,000.

The Reichsbank, thanks to its policy of gold accumulation carried out for a year or two, is unusually strong. Its gold stock last week was \$300,000,000, to which must be added about \$50,000,000 now in the Government's "war chests," which is to be turned over to the Reichsbank in case of war. Adding, again, the amount of silver and treasury notes to the gold stock we get a total cash stock of \$467,000,000 available as a basis for securing note circulation, whereas the actual note circulation last week was only \$450,000,000.

In other words, the Reichsbank would be in a position to increase its note circulation by \$950,000,000 to a total of \$1,400,000,000 and keep within the two-thirds covering provided for by law. For the immediate necessities of even a general European war this \$950,000,000 would suffice. It has been estimated that the German Army and Navy would require about \$425,000,000 during the first six weeks of a great war, and that the demands of the public in trade and industry, together with the hoardings of the people, would reach about \$500,000,000. Thus the Reichsbank alone is in a position to finance a war till the Government could appeal to the public to lend its money to the empire.

The general credit banks, although they traditionally carry too light stocks of cash, are now better supplied than for several years. According to figures published by the Imperial Statistical Office the reserves of all German joint stock companies, including banks, were increased from 20.8 to 23.6 per cent. of their capital from 1907-08 till 1911-12; and it is known that the companies have continued during the last two years in particular to increase their undistributed profits, in lieu of paying out bigger dividends.

European Banks Statement

BANK OF ENGLAND.

	1914.	1913.	1912.
Bullion	£47,772,712	£43,250,152	£42,192,129
Reserve	30,935,000	32,236,737	31,367,810
Notes, reserve	30,213,000	30,677,415	30,113,530
Reserves to liabilities	10%	99%	49%
Circulation	35,287,000	29,463,415	29,274,310
Public deposits	28,678,000	9,519,962	15,890,771
Other deposits	133,818,000	44,505,994	47,116,123
Government securities	28,024,000	12,453,405	13,367,655
Other securities	121,820,000	27,632,438	30,518,725
Bank rate	5%	4½%	4%

BANK OF NETHERLANDS.

	1914.	1913.	1912.
	Dutch	Dutch	Dutch
	Guilders.	Guilders.	Guilders.
Gold	162,125,478	147,354,212	143,343,736
Silver	798,900	9,184,010	10,190,828
Bills discounted	184,882,953	99,469,018	79,190,088
Advances	134,905,913	82,963,911	79,901,671
Circulation	438,885,085	286,117,965	284,747,110
Deposits	32,845,363	4,515,048	4,502,107

N. W. Halsey & Co.

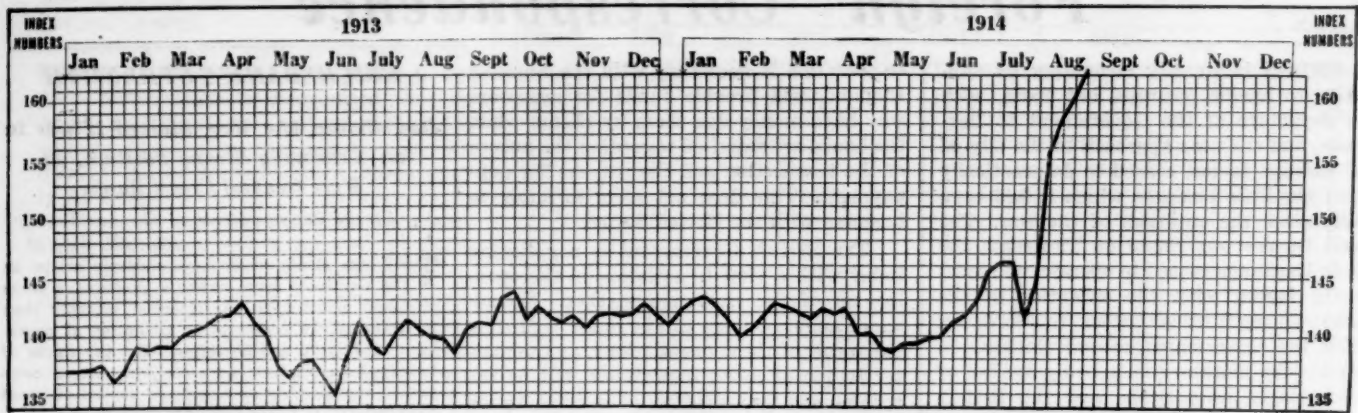
Bonds for Investment

Circular upon request

49 Wall Street, New York

Philadelphia Boston Chicago

The Highest Cost of Living



An index number is a means of showing fluctuations in the average price of a group of commodities. The Annual Index Number shows the fluctuations in the average wholesale price of twenty-five food commodities selected and arranged to represent a theoretical family's food budget.

Barometrics

THE ANNALIST INDEX NUMBER			
Weekly Averages.		Years' Averages.	
Sept. 5.....	162.46	1913.....	139.98
Aug. 29.....	160.30	1912.....	143.25
		1896.....	80.09
		1890.....	109.25

POTENTIALS OF PRODUCTIVITY

The Metal Barometer			
—End of July.—		—End of June.—	
1914.	1913.	1914.	1913.
Daily pig iron capacity, tons	63,935	81,657	63,698
U. S. Steel's orders, tons...	4,158,589	5,399,316	4,032,857
Pig iron production, tons...	*1,957,645	*2,560,646	†14,359,660
			†18,909,420

*Month of July. †Seven months.

Building Permits			
July, 104 Cities.		June, 122 Cities.	
1914.	1913.	1914.	1913.
\$64,912,541	\$58,076,782	\$71,573,336	\$74,025,741
Migration			
—June.—		—Fiscal Year.—	
1914.	1913.	1913-14.	1912-13.
Inbound (alien only).....	71,728	176,261	1,218,480
Outbound (alien only).....	38,413	22,930	303,338
Balance	+33,315	+153,331	+915,142

Cotton Movement and Consumption			
Past Week.		Sept. 1 to Aug. 31.	
1914.	1913.	1913-14.	1912-13.
Cotton into sight	43,151	205,464	*79,942
American mill takings.....	12,817	30,477	5,646,062
World's takings of American cotton	25,560	132,300	13,963,291
			14,395,784

*Week ended Sept. 4, 1914. †Week ended Sept. 5, 1913.

MEASURES OF BUSINESS ACTIVITY

Bank Clearings					
Entire country, estimated. Percentages show changes from preceding year.					
	The past week.	P. C.	The week before.	P. C.	The year to date.
1914	\$2,253,270,881	-24.4	\$2,027,038,844	-26.8	\$112,983,492,832
1913	2,978,329,099	+5.8	2,769,911,828	+0.2	115,411,053,507
1912	2,815,107,353	+20.1	2,762,661,699	+1.6	116,101,541,818

For the week ended Saturday noon. Reported by telegraph to The Annalist

Central Reserve Cities					
—Last Week.		—Thirty-six Weeks.		—Year's Change.	
1914.	1913.	1914.	1913.	P. C.	
New York	\$1,083,407,985	\$1,724,326,481	\$62,709,937,885	\$64,983,825,854	-3.5
Chicago	273,960,811	273,225,444	11,204,746,746	11,008,980,020	+1.8
St. Louis	62,449,238	75,026,858	2,768,070,735	2,779,853,014	-0.4
Total 3 c.r. cities.	\$1,419,818,034	\$2,072,578,783	\$76,683,755,366	\$78,772,658,888	-2.7
Reserve cities:					
Baltimore	\$33,860,813	\$31,734,911	\$1,275,512,406	\$1,365,046,096	-6.6
Boston	100,788,102	118,804,147	5,461,675,846	5,005,907,826	-2.6
Cincinnati	22,675,450	21,286,400	937,539,055	913,018,600	-2.6
Cleveland	25,326,148	22,745,924	805,905,518	878,406,777	+2.0
Denver	8,644,464	8,720,195	303,300,971	324,097,901	-6.4
Detroit	22,000,471	21,792,003	908,156,210	905,812,003	+0.3
Kansas City, Mo.	59,945,003	52,260,509	1,845,752,815	1,905,385,415	-3.2
Louisville	11,972,034	11,779,639	489,225,458	502,135,919	-2.6
Minneapolis	26,346,567	25,907,440	831,124,474	798,238,821	+4.4
New Orleans	14,356,300	17,061,206	646,061,131	638,602,092	+1.3
Omaha	17,947,894	16,190,565	598,314,639	605,185,065	-1.2
Philadelphia	146,756,158	147,954,872	5,672,196,803	5,841,088,840	-3.6
Pittsburgh	48,396,137	44,150,144	1,860,907,502	2,045,804,667	-9.0
St. Paul	9,617,026	9,456,786	384,068,277	348,235,544	+10.5
San Francisco	50,748,400	47,080,574	1,713,987,307	1,736,296,231	-0.7
Seattle	12,025,210	12,371,400	430,486,529	437,497,723	-1.5
Tot. 16 res. cit.	\$617,822,975	\$610,015,476	\$24,274,825,108	\$24,848,830,005	-2.3
Grand total	\$2,037,641,009	\$2,682,594,259	\$100,958,180,474	\$103,621,489,493	-2.6

Gross Railroad Earnings

This Year			
—Third Week—		—Second Week—	
In August.		In August.	
\$8,635,184	\$7,977,813	\$139,947,148	
Same last year	9,104,793	8,317,428	144,413,440
Gain or loss.....	—\$469,609	—\$339,615	—\$4,466,292
	—5.1%	—4.1%	—3.1%

*23 roads. †21 roads. ‡38 roads.

The Car Supply

Net surplus of all freight cars.							
Aug. 15, 1914.	Aug. 1, 1914.	1913.	1912.	1911.	1910.	1909.	1908.
172,145	196,665	54,425	43,901	104,170	78,760	157,415	252,149

THE CREDIT POSITION

New York Banking Position

(Both Banks and Trust Companies, Average Figures.)

Loans.			
Deposits.		Cash.	
Reserve.			
Last week	\$2,136,964,000	\$1,902,338,000	\$391,004,000
Week before	2,127,667,000	1,902,704,000	394,180,000
Same week, 1913.....	1,963,165,000	1,814,885,000	414,469,000
This year's high.....	2,139,398,000	2,062,770,000	515,426,000
on week ended.....	May 16	May 16	May 23
This year's low.....	1,874,614,000	1,717,649,000	382,731,000
on week ended.....	Jan. 3	Jan. 3	Aug. 15

Specie Movement at the Port of New York

Week Ended Sept. 5.		—Thirty-six Weeks.—	
Imports.		Exports.	
Silver	\$182,293	\$1,037,857	\$6,618,439
Gold	367,824	124,495	6,404,257
Total	\$550,117	\$1,162,352	\$13,022,696

Cost of Money

Last Week.		Previous Week.		Since Jan. 1.		—Same Week.—	
@ 8		@ 8		High. Low.		1913.	
Call loans in New York.	6 @ 8	6 @ 8	6 @ 8	10 1 1/2	2 1/4 @ 2 1/2	2 1/4 @ 2 1/2	2 1/4 @ 2 1/2
Time loans in New York.	7 @ 10	7 @ 10	10	2	3 1/2 @ 4 1/2	3 1/2 @ 4 1/2	3 1/2 @ 4 1/2
(60-90 days)	7 @ 10	7 @ 10	10	2	3 1/2 @ 4 1/2	3 1/2 @ 4 1/2	3 1/2 @ 4 1/2
Commercial discounts:							
New York	6 @ 7	6 1/2 @ 7	7	3 1/2	5 1/2 @ 6	5 1/2 @ 6	5 1/2 @ 6
Chicago	7 1/2 @ 8	7 1/2 @ 8	8	5	7	6	6 @ 6 1/2
Philadelphia	6 1/2 @ 7 1/2	6 1/2 @ 7	7 1/2	3 1/2	6	5 1/2 @ 6	5 1/2 @ 6
Boston	6 @ 8	8	8	3 1/2	5 1/2 @ 6 1/2	5 1/2 @ 6	5 1/2 @ 6
St. Louis	6 @ 8	6 @ 8	8	4 1/2	6	6	6
Minneapolis	6 @ 7	6 @ 7	7	6	6 @ 7	6	6

Exchange

Sterling exchange, nominal. Exchange on New York at domestic centres ruled thus:

Boston			
Chicago.		St. Louis.	
San Francisco.			
Aug. 31.....	par	30c discount	75c premium
Sept. 1.....	par	10c discount	80c premium
Sept. 2.....	par	10c discount	70c premium
Sept. 3.....	par	20c discount	70c premium
Sept. 4.....	par	35c discount	45c premium
Sept. 5.....	par	35c discount	45c premium

The Week's Commercial Failures

Week Ended Sept. 3, 1914.		Week Ended Sept. 4, 1913.		Week Ended Sept. 5, 1912.	
To-tal.	Over \$5,000.	To-tal.	Over \$5,000.	To-tal.	Over \$5,000.
East	129	56	68	35	92
South	84	25	49	14	75
West	87	37	66	19	48
Pacific	64	23	22	6	28
United States	364	141	205	74	243
Canada	55	21	19	7	21

Failures by Months

August.		—Eight Months.—	
1914.	1913.	1914.	1913.
Number	1,272	1,145	11,226
Liabilities	\$43,468,116	\$20,848,916	\$248,944,994

OUR FOREIGN TRADE

July.		—Seven Months.—	
1914.	1913.	1914.	1913.
Exports	\$154,082,225	\$160,990,778	\$1,200,925,440
Imports	160,173,133	139,061,770	1,141,094,215
Excess of exports.....	*\$6,095,908	\$21,929,008	\$59,831,225
*Excess of imports.....			\$308,624,462

Exports and Imports at New York

Exports.		Imports.	
1914.	1913.	1914.	1913.
Week ended Aug. 29.....	\$10,214,302	\$12,158,997	\$11,716,817
Thirty-five weeks.....	\$576,696,044	\$602,438,969	\$675,358,877

WEEK'S PRICES OF BASIC COMMODITIES

Current Price.		Range since Jan. 1.		Mean Price other years.	
High.		Low.		1913.	
Copper: Lake, per pound.....	.13	.15125	.1275	.139675	.16125
Cotton: Spot, middling upland, per lb.....	.1450	.1190	.1275	.1319	.1147
Hemlock: Base price per 1,000 feet.....	24.50	24.50	24.50	23.75	21.65
Hides: Packer No. 1, Native, per pound.....	.21	.21	.1750	.1925	.18125
Petroleum: Crude, per bbl.....	1.45	2.50	1.45	1.975	2.25
Pig iron: Bessemer, at Pitts., per ton.....	14.00	15.15	14.00	15.025	17.025
Rubber: Up-river, fine, per pound.....	.75	1.15	.60	.92	.905
Steel billets at Pittsburgh, per ton.....	21.00	21.00	19.00	20.00	24.25
Wool: Ohio X, per pound.....	.29	.29	.23	.26	.27

Latest Earnings of Important Railroads

Below are shown the earnings of important railroads according to the latest reports published. The net earnings are in some cases the figure resulting from the

deduction of expenses alone from gross receipts, in others it is the amount remaining after taxes have been paid and car settlements made with other railroads. As

each railroad reports its net in the same way from month to month, these figures, published currently, are the best guide for those interested.

July Gross and Net Earnings

July Compared With Same Month in 1913.

	Gross.			Net.		
	Amount.	Change.	P. C.	Amount.	Change.	P. C.
Atchafalpa, Topeka & Santa Fe.....	\$9,609,243	+ \$466,257	+ 5.1	\$2,871,471	+ \$440,887	+ 18.1
Atlantic Coast Line.....	2,538,139	+ 80,988	+ 3.2	316,391	+ 18,937	+ 5.3
Baltimore & Ohio.....	8,146,688	- 873,933	- 9.6	2,272,021	- 367,819	- 13.0
Buffalo, Rochester & Pittsburgh.....	881,454	- 193,337	- 17.9	229,475	- 78,657	- 25.5
Canadian Northern.....	1,594,300	- 334,500	- 17.3	430,500	- 83,800	- 16.2
Canadian Pacific.....	10,481,972	- 1,501,090	- 12.5	3,778,446	- 338,347	- 8.2
Central of Georgia.....	1,166,371	+ 153,701	+ 14.7	310,324	+ 141,025	+ 83.7
Chesapeake & Ohio.....	3,264,098	+ 340,313	+ 11.6	935,019	+ 57,898	+ 6.6
Chicago, Milwaukee & St. Paul.....	7,824,986	- 95,848	- 1.2	2,383,898	+ 153,629	+ 6.8
Chicago & Northwestern.....	7,310,085	- 113,086	- 1.5	2,238,020	+ 240,783	+ 12.0
Chicago, St. Paul, Minneapolis & Omaha.....	1,580,989	+ 111,210	+ 7.5	224,443	+ 92,147	+ 69.6
Colorado Southern.....	1,124,495	- 79,861	- 6.6	184,114	- 84,214	- 31.4
Denver & Rio Grande.....	2,003,629	- 96,674	- 4.6	436,664	+ 53,985	+ 14.1
Detroit & Mackinac.....	103,658	- 7,645	- 6.8	24,292	- 4,465	- 15.5
Duluth, Missabe & Northern.....	866,170	- 423,776	- 33.1	527,160	- 318,654	- 37.6
Erie.....	5,419,581	- 118,642	- 2.1	1,257,933	- 186,509	- 12.9
Georgia Southern & Florida.....	217,252	+ 14,145	+ 6.9	35,972	+ 14,773	+ 69.6
Illinois Central.....	5,396,122	+ 38,214	+ 0.7	706,341	- 62,139	- 8.0
Lehigh Valley.....	3,582,081	+ 134,380	+ 3.8	918,097	- 91,092	- 9.2
Louisville & Nashville.....	4,803,642	- 141,398	- 2.8	1,070,336	+ 126,370	+ 13.3
Maine Central.....	1,014,868	+ 16,085	+ 1.6	243,454	+ 42,209	+ 20.9
Minneapolis, St. Paul & Sault Ste. Marie.....	1,586,323	- 160,279	- 9.1	467,135	- 11,619	- 2.4
Chicago Division.....	899,178	- 47,740	- 5.0	262,195	- 15,812	- 5.7
Missouri, Kansas & Texas.....	2,693,820	+ 37,810	+ 1.4	750,219	+ 17,814	+ 2.4
Mobile & Ohio.....	1,098,606	+ 39,463	+ 3.7	227,501	- 7,336	- 3.1
Nashville, Chattanooga & St. Louis.....	1,071,780	+ 44,582	+ 4.3	233,886	+ 74,581	+ 4.7
New York Central.....	8,073,280	- 858,736	- 9.5	1,819,170	+ 242,889	+ 15.4
New York Central Lines.....	23,831,843	- 234,585	- 8.8	5,711,548	+ 592,510	+ 11.5
New York, Ontario & Western.....	992,561	- 15,736	- 1.5	361,866	+ 4,302	+ 1.2
New York, Susquehanna & Western.....	289,632	- 1,635	- 0.5	62,778	- 1,602	- 2.4
Norfolk & Western.....	3,743,588	- 114,949	- 2.9	1,088,166	- 72,395	- 6.2
Northern Pacific.....	5,792,062	- 480,910	- 7.6	1,645,746	- 136,410	- 7.6
Pennsylvania Railroad.....	16,068,588	+ 130,808	+ 0.8	3,560,883	- 344,476	- 9.6
Pennsylvania System.....	32,057,719	- 3,044,770	- 8.6	7,894,729	- 373,617	- 4.5
Seaboard Air Line.....	1,833,170	+ 14,824	+ 0.8	434,238	+ 7,542	+ 1.7
Southern Pacific.....	11,632,910	- 128,092	- 1.8	2,381,573	- 135,495	- 3.9
Southern Railway.....	5,705,119	+ 191,906	+ 3.4	1,169,472	- 55,817	- 4.5
Union Pacific.....	7,559,237	- 263,372	- 3.3	3,067,904	- 44,184	- 1.4
Western Maryland.....	712,429	- 28,229	- 3.8	190,926	+ 19,968	+ 11.6
Wheeling & Lake Erie.....	531,094	- 246,832	- 31.7	143,302	- 32,565	- 18.5
Yazoo & Mississippi Valley.....	353,191	+ 45,362	+ 14.7	80,886	+ 42,225	+ 109.2

June and Twelve Months Gross and Net Earnings

June Compared with Same Month in 1913

Earnings Fiscal Year Ended June 30, Compared with Preceding Year

Amount.	Change.	Amount.	Change.	Railroad.	Amount.	Change.	P. C.	Amount.	Change.	P. C.
\$864,463	- \$66,624	*\$570,261	+ \$698,695	Cin., Hamilton & Dayton.....	\$10,084,217	+ \$13,921	+ .01	*\$118,232	+ \$1,697,887
571,614	+ 8,476	167,446	+ 45,039	Chi., Ind. & Louisville.....	6,994,005	+ 8,061	+ 0.1	1,795,277	- 86,730	- 4.6
4,687,130	- 37,693	1,102,681	- 84,205	Missouri Pacific.....	59,793,900	- 2,361,605	- 3.7	14,084,731	- 964,424	- 6.4
3,700,179	- 327,653	702,140	- 482,801	Philadelphia & Reading.....	47,183,370	- 3,439,347	- 6.8	14,432,624	- 4,693,695	- 24.5
2,523,627	+ 43,686	653,477	+ 57,409	St. Louis, I. Mt. & Southern..	33,171,859	- 964,737	- 2.8	10,451,600	+ 224,846	+ 2.1

*Deficit.

Government Receipts and Expenditures

RECEIPTS.			Month of August.		
			1914.	1913.	
Customs.....			\$19,431,362.52	\$30,934,952.44	
Internal revenue—					
Ordinary.....			27,468,917.60	26,192,448.42	
Corporation and income tax.....			475,255.46	288,727.15	
Miscellaneous.....			3,697,362.72	4,184,069.15	
Total.....			\$51,072,898.30	\$61,600,197.16	
DISBURSEMENTS.					
Ordinary:					
Pay warrants issued.....			\$67,244,767.16	\$60,764,899.46	
Interest on the public debt.....			1,989,892.95	2,030,407.12	
Total.....			\$69,234,660.11	\$62,795,306.58	
Less unexpended balances repaid.....			2,283.13	631,594.79	
Net ordinary disbursements.....			\$69,232,376.98	\$62,163,711.79	
Excess of ordinary disbursements.....			\$18,159,478.68	\$563,514.63	
Public Debt:					
Bonds, notes, and certificates retired.....			\$3,825.00	\$2,540.00	
Panama Canal:					
Pay warrants issued.....			4,107,459.88	4,452,104.07	
Grand total of disbursements.....			\$73,343,661.86	\$66,618,355.86	
Net excess of all disbursements.....			\$22,270,763.56	\$5,018,158.70	
Pay Warrants Drawn					
Legislative establishment.....			\$1,342,121.14	\$1,101,790.28	
Executive office.....			1,700,125.80	44,726.35	
State Department.....			548,045.94	466,864.61	
Treasury Dept.—Excluding public buildings..			3,950,539.27	3,330,712.43	
Public buildings.....			2,074,403.09	1,114,454.18	
War Department—Military.....			13,501,614.75	11,500,986.43	
Civilian.....			190,909.80	165,317.06	
Rivers and Harbors.....			5,130,834.19	5,605,357.80	
Department of Justice.....			1,215,242.02	441,996.30	
Post Office Dept.—Not incl. "Postal Service"			\$154,329.93	\$279,884.05	
Navy Department—Naval.....			11,201,875.00	10,292,958.82	
Civilian.....			78,257.47	76,654.71	
Interior Dept.—Exclud'g pensions and Indians			2,561,255.97	1,415,788.74	
Pensions.....			15,674,876.81	17,268,123.85	
Indians.....			2,672,963.94	2,702,265.13	
Department of Agriculture.....			2,279,814.07	1,986,523.17	
Department of Commerce.....			959,462.91	1,209,593.14	
Department of Labor.....			377,149.46	245,979.88	
Independent offices and commissions.....			339,978.94	220,981.29	
District of Columbia.....			1,104,843.50	645,221.54	
Interest on public debt.....			1,895,098.40	1,985,306.80	
Total pay warrants drawn (net).....			\$68,953,742.40	\$62,101,486.56	
Panama Canal—Construction, &c.....			\$4,107,459.88	\$4,452,104.07	
Bonds Held in Trust for National Banks, Aug. 31, 1914					
Kind of Bonds.	Total Amount Outstanding.	Total Held on Deposit.	Bonds Held To Secure Circulation.	To Secure Deposits of Public Money.	Value at Par.
Government—					
U. S. 3s of 1925..	\$118,948,900	\$38,091,000	\$34,094,300	\$3,996,700	\$3,996,700
U. S. 3s, 1908-18..	63,945,460	26,471,080	21,436,680	5,034,400	5,034,400
Panama 3s, 1961..	50,000,000	14,112,900	14,112,900	14,112,900	14,112,900
2% Consols, 1930..	646,250,150	618,654,950	605,777,750	12,877,200	12,877,200
Panama 2s, 1936..	54,631,980	54,250,680	53,051,180	1,199,500	1,199,500
Panama 2s, 1938..	30,000,000	29,532,140	28,958,140	574,000	574,000
Philippine 4s.....	16,000,000	5,925,000	5,925,000	5,925,000	5,925,000
Porto Rico 4s.....	5,925,000	2,065,000	2,065,000	2,065,000	2,065,000
Dist. of Col. 3.65s.	6,939,150	783,000	783,000	783,000	783,000
Hawaiian issues...	6,844,000	2,088,000	2,088,000	2,088,000	2,088,000
Phil. Ry. Co. 4s..	8,551,000	918,000	918,000	918,000	918,000
Manila R.R. Co. 4s	7,735,000	10,000	10,000	10,000	10,000
State, County, City & oth. sec. var.	186,823,893	126,971,550	59,852,343	43,263,087	
Total.....	\$979,725,643	\$870,289,600	\$109,436,043	\$92,448,233	

Utilities

The Progress of Electric Railways

Last Year There Were More than 45,000 Miles in Operation, Capitalized at Over \$5,600,000,000

FEW industries have made such wonderful progress in the last decade as electric railways. The recent report of the Bureau of Census showed that in the ten years from 1902 to 1912 the number of passengers carried had grown by nearly 108 per cent., the revenues more than 130 per cent., capitalization 104 per cent., and other statistics presented equally amazing increases. It now appears from statistics published by The Electric Railway Journal, which has completed its compilation of returns from the electric railways in 1913, that the growth last year was at an undiminished rate, notwithstanding the fact that it was a year of general business depression. A comparison of these statistics with those for 1912, as shown by the Census Bureau, is interesting.

There were in operation last year 1,187 companies, with a total of 45,003 miles of track, comparing with the 1912 census figure of 41,065 miles and with 22,572 miles in 1902. Over these lines 97,721 cars were being operated, an increase of 3,705 over the preceding year. The geographical division of cars, miles of track and companies is given as follows:

States.	No. Cos.	No. Cars.	Miles of Track.
New England	109	15,628	6,379
Eastern	478	36,249	13,555
Central	322	28,096	15,456
Southern	95	4,418	2,331
Western	183	13,230	7,281
Total	1,187	97,721	45,003

Capitalization was placed by the Journal at \$5,516,186,625 in 1913, as against the census figures of \$4,708,568,141 in 1912, \$3,774,772,096 in 1907, and \$2,308,282,099 in 1902. The total authorized issues of stocks and bonds in 1913 were \$8,740,782,263. The capital stock and funded debt outstanding last year was divided as follows:

	Capital Stock.	Funded Det.	Stocks & Bds.
New England..	\$221,043,650	\$249,066,300	\$470,109,950
Eastern	1,216,400,940	2,237,072,250	3,453,473,190
Central	979,774,850	1,467,789,473	2,447,564,323
Southern	282,848,000	441,064,400	722,912,400
Western	709,073,000	885,649,400	1,645,722,500
Total	\$3,400,140,440	\$5,280,641,823	\$8,740,782,263
	Capital Stock.	Funded Det.	Total Issued.
New England..	\$209,701,750	\$179,904,250	\$389,606,000
Eastern	1,037,400,730	1,214,007,100	2,252,016,830
Central	745,381,050	817,261,648	1,562,642,698
Southern	197,404,170	176,959,900	374,363,770
Western	611,955,825	425,511,500	1,037,467,325
Total	\$2,801,852,925	\$2,814,334,098	\$5,616,186,025

From this it appears that the average outstanding capitalization of electric lines per miles is \$124,793. The Eastern States have the largest capitalization per miles of lines, the heavy issues of the lines in New York City and Philadelphia bringing it up to \$166,131, while those in New England have the smallest issued capital per mile,

the average in that section being but \$61,090. Next to the Eastern States, those in the West have the largest per mile capitalization, with an average of \$142,489. In the Central States the average is \$101,102 per mile.

In total mileage Pennsylvania is the leading State of the country, with 5,015 miles, just fourteen miles more than New York, which is second in the list. Ohio comes next with 4,154 miles. Nevada has the smallest mileage of all, there being but 10.3 miles of electric line in that State, and New Mexico is just ahead with 10.5 miles. The combined mileage of the Dakotas is only 50.5 miles.

PUBLIC UTILITY NEWS

Chattanooga Railway and Light Company

	1914.	1913.	Decrease.
July gross	\$92,006	\$85,521	\$2,825
Net after taxes	31,261	38,161	6,900
Twelve months' gross	1,159,210	1,162,587	3,377
Net after taxes	448,008	468,406	20,488

Continental Gas and Electric Company

The company has purchased through Chicago banking interests the properties of the Nebraska Gas and Electric Company and the Iowa Gas and Electric Company, both of which were organized recently, and acquired the properties of the Iowa and Nebraska Public Service Company, which failed about a year ago. The transaction involves an exchange of \$500,000 bonds of the companies acquired for bonds of the Continental Gas Company, and the sale of \$150,000 additional bonds for improvements to the properties taken over. The bank syndicate will take the bonds and something more than \$1,000,000 securities besides, which will be held for sale in a more favorable market later. The companies purchased supply twelve towns and cities in Iowa and Nebraska with gas and electric service, which makes a total of forty-five towns and cities now supplied by the purchasing corporation.

Detroit Edison Company

The company reports an increase for July of 19.3 per cent. in sales of commercial current over July, 1913, while the increase for the seven months ended July 31 was 17.2 per cent. The only falling off in sales for the month was in those to utilities other than the street railways, the latter increasing 11.3 per cent. for the month and 22.1 per cent. for the seven months.

Hudson and Manhattan Railroad Company

The company reports for the seven months ended July 31:

	1914.	1913.	Increase.
Gross	\$3,279,932	\$3,189,509	\$90,333
Net after taxes	1,898,187	1,805,535	92,836

Lewiston, Augusta and Waterville Street Railway

	1914.	1913.	Decrease.
July gross	\$72,565	\$75,102	\$2,537
Net after taxes	31,396	35,054	3,658
Twelve months' gross	675,185	657,469	*17,716
Net after taxes	215,861	251,022	35,161

*Increase.

Mobile Electric Company

Reports for the twelve months ended July 31:

	1914.	1913.	Increase.
Gross earnings	\$385,950	\$380,582	\$5,377
Net after taxes	192,982	179,488	13,494
Surplus after charges	105,976	95,238	10,738
Balance aft. preferred divs.	40,301	35,563	10,738

Montreal Water and Power Company

Valuation of the company's property has been placed by the two experts appointed by the city at slightly over \$7,000,000.

Northern States Power Company (and subsidiaries)

Reports for the twelve months ended July 31:

	1914.	1913.	Increase.
Gross earnings	\$4,124,817	\$3,767,721	\$357,095
Net earnings	2,151,429	1,900,220	242,208
Surplus	901,120	723,511	177,608

Ohio Utility Valuation

A force of twenty appraisal engineers and mine appraisal clerks has been appointed by the Ohio Public Utility Commission to make appraisals of utility properties in rate proceedings. Under the law the commission must make such appraisals when requested by the council of the municipality in which the utility operates. The commission now has requests for the valuation of the electric light and power and street railway properties in Cincinnati, the electric light and power property and two telephone companies in Cleveland, and another telephone company in Cuyahoga County.

News Digest

FORECAST AND COMMENT

Daniel Guggenheim

We are in the presence of the greatest opportunity in the history of this country. For the first time the world's marts lie at our feet uncontested. Our great European competitors are hopelessly crippled for the time being, and it is up to us to reap the benefits.

Theodore P. Shonts

To this country this universal calamity offers an opportunity of centuries; but, to start off, we are without a merchant marine to take advantage of this opportunity. When I was connected with the Panama Canal Commission I could foresee the opportunities offered to shipping by the opening of that new waterway, and since then I have been strongly in favor of ship subsidies in this country.

E. P. Ripley

I expect New England to take her usual share of the cotton crop. Japan may buy more than usual, but her purchases are not likely to be large in proportion to the total crop. Ordinarily, cotton for Japan goes via San Francisco, but some of this traffic may be diverted through the Panama Canal.

President Farrell of the Steel Corporation

The upbuilding of a creditable merchant fleet, establishment of an international discount market in the United States strong enough to support direct exchange with great neutral markets of South America and the Far East, and education of a new generation to the problem of expanding foreign trade, are steps to be taken before our fullest potentialities can be realized.

C. E. Schaff, (President Missouri, Kansas & Texas)

I believe that, irrespective of the consequences of the war, railroads will be able to haul 50 per cent. of the cotton crop in the usual transportation period. If the plans to finance the crop for the farmer, pending the time when he may market it, go through, there will be also the movement to warehouses, which the railroads will get.

Hale Holden, (President Chicago, Burlington & Quincy)

I do not feel that there is any reason for alarm about the present or the future conditions. We have great crops to be moved, and these are beginning to be exported. I have a great deal of faith that within the near future business will get back to normal and we will begin to enjoy the boom long expected in business lines generally.

Iron Age

The extent to which foreign orders have come or will come in to make up for the falling off in new business at home is the uppermost question in the steel trade. The United States Steel Corporation, with its complete machinery for handling exports, has naturally closed the bulk of the outside business done thus far. No figures are given as to volume, but it is stated that the sales include plates, skelp, structural steel, wire rods, sheets and tin plates, fence wire, and wire nails.

Iron Trade Review

In the orders for steel products so far closed with foreign buyers, both the Steel Corporation and independent manufacturers have shared, and in some cases better than domestic prices have been obtained.

National City Bank, New York

The credit resources of the country have never been effectively organized. Credit has lacked mobility; it has never been localized, each community in a large degree being dependent upon itself. The isolation of each banking unit has pre-

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vented the most effective use of its resources, and there has never been a time when there was not a large amount of idle credit resources scattered over the country. Our gold reserves have not been effectively used. The new banking organization should do much to bring out these latent resources.

John V. Farwell Company, Chicago

Wholesale dry goods business is as rapidly as possible adjusting itself to conditions occasioned by scarcity of desirable merchandise in wool dress goods and other imported lines.

John J. Arnold (Vice President, First National Bank, Chicago)

Devastation of life and property is an economic waste. The whole world will help to bear the cost of this great war.

National City Bank, Chicago

It is too early to discuss the ultimate effect of war upon business in the United States. In some respects the influence must be depressing.

American National Bank of San Francisco

When the difficulties have been removed from sea transportation, foreign exchange and war insurance, the whole country ought to feel the stimulus of a brisk trade with the warring countries, which need the things we have to sell, and with other countries which can no longer buy from their accustomed European sources. In the end, however, all trade, all commerce, and all manufactures, the world over, will suffer from the tremendous waste of capital and human energy now being turned into channels of destruction.

Peoples National Bank of Pittsburgh

Whether the war be long or short, Europe will be temporarily short of the commodities she usually sends us in exchange for the commodities we send her. The one thing Europe does possess, however, which she may exchange for our commodities, is American securities. The ability of the United States to absorb a considerable amount of foreign-held securities is strengthened by the present situation; but it is not equal to the task of taking them at the rate they were dumped upon our market on the eve of hostilities.

American Wool and Cotton Reporter

The woolen market remains very strong, and, though the activity of the present week is much less than that for the three weeks immediately preceding, a satisfactory volume of business has been accomplished, sales for the week amounting to 4,250,000 pounds.

John Moody

There are signs that the situation from our point of view is improving. It looks now as though war developments may soon relieve the feeling of panic in London, and enable financial business here to resume.

Marshall Field & Co.

The month of August closed with a good increase in our business as compared with the corresponding period a year ago, and September is starting in with sales running well ahead. The present heavy market buying is due to the fact that retailers have been operating on as low stocks as possible, and are now preparing to take care of the excellent Fall business which will result from the good prices farmers are receiving for their crops. Additional stimulus has been given to the business during the past month by the efforts of buyers to take care of their requirements of imported merchandise, the supply of which will soon be restricted, or exhausted.

Dun's Review

There is further abatement of the tension in financial circles, although money continues very firm and new business is still closely restricted to urgent needs. The disorganization of foreign exchange is slightly less marked, international banking arrangements slowly but gradually improving.

Bradstreets

Trade and industry present an exceedingly irregular appearance, and day-to-day progress seems alike partial and slow.

GENERAL

The War

The beginning of the week found the Allies once more resuming the offensive and a general engagement of the Russians along the Austrian and German frontiers. England reported a naval engagement off Heligoland in which five German torpedo boat destroyers were sunk and thirteen others damaged, with small loss of life and no loss of ships to the British. On Monday the Germans drove the Allies back again, and Paris began making preparations for a siege. Germany claimed an important victory over the Russians in East Prussia, reporting 30,000 prisoners taken. The British reported loss of 6,000 men in four days' fighting and the Germans 6,250. On Tuesday the left wing of the Allies was forced farther back and severe fighting was reported from Rheims to La Fere as well as along the Lorraine frontier and in Vosges. French called out territorial reservists. St. Petersburg was renamed Petrograd by the Czar, because of the German origin of the former name. Turkey mobilized 200,000 men. It was announced on Wednesday that the French capital would be moved from Paris to Bordeaux. The Germans were then within forty miles of Paris. The Austrian army was defeated in a great engagement with the Russians, and Lemberg was evacuated. On Thursday the German army occupied Amiens, controlling the Somme Valley, and also took La Fere. New intrenchments were constructed around Paris. Russians report that Austrians lost 100,000 men and fifty-seven guns in Galicia and East Poland. The Germans made an attack near Koenigsberg but were defeated with heavy losses. President Poincare and the French Government removed to Bordeaux. The French war office claimed on Friday that the Germans had been checked at Verdun and that the French had met with success in Lorraine and Vosges. The British Admiralty reported that seven German torpedo boats and destroyers had put into Wilhelmshaven in damaged condition. Austrian forces near Warsaw were defeated. On Saturday some German cavalry approached very close to Paris and captured some outposts. It was reported that Germany was sending troops to the East in an attempt to check the Russian advance and to reinforce the Austrians. The Allies signed an agreement that they will not make peace separately and will fight to the end. The Russians commenced a general advance on Berlin. Capture of Rheims by the Germans was announced.

Financial Chronology

Monday, Aug. 31

Wheat advances $3\frac{1}{4}$ c to \$1.19 a bushel for the September option in New York, and 5c a bushel in Chicago, to \$1.12. Government cotton crop report shows condition on Aug. 25 at 78 per cent., compared with 76.4 per cent. on July 25 this year, 68.2 per cent. on Aug. 25 last year, and a ten-year average of 73.4 per cent. on Aug. 25. Money, 6@8 per cent. Demand sterling, \$5.06 $\frac{1}{4}$, and cables, \$5.07 $\frac{1}{4}$.

Tuesday, Sept. 1

Wheat prices cover a range of 3c a bushel, but close with net losses of $\frac{1}{4}$ to $1\frac{1}{4}$ c. British moratorium extended to Oct. 4. Gold amounting to \$350,000 withdrawn for Canada. Calumet and Hecla Mining Company passes its quarterly dividend for the first time since 1884. Money, 6@8 per cent.; demand sterling, \$5.06 $\frac{1}{4}$, and cables, \$5.07 $\frac{1}{4}$.

Wednesday, Sept. 2

Wheat closes $\frac{3}{4}$ to 1c higher. Clayton bill, supplementing the Sherman Anti-trust act, passes the Senate. Bond dealers decide to extend for another two weeks the suspension of all trading. American Snuff Company declares quarterly dividend on common stock in preferred shares of P. Lorillard Company and Liggett & Myers Company, instead of the usual cash payment. New York Transit Company, one of the Standard Oil group, reduces the quarterly dividend on its shares from \$8 to \$6. Wolverine Copper Company announces a dividend of \$2 a share in place of the previous payment of \$5. Money, 6@8 per cent., demand sterling, \$5.06 $\frac{1}{4}$, and cables, \$5.07 $\frac{1}{4}$.

Thursday, Sept. 3

Wheat advances to new high records for the season, the September option in New York closing 6c a bushel higher, at \$1.25, and at Chicago $3\frac{1}{4}$ c a bushel higher, at \$1.14 $\frac{1}{4}$. Members of the New York Cotton Exchange approve a plan drawn up by joint committees of the local board and the Liverpool and New Orleans Exchanges for liquidating the outstanding "straddle" account between this country and England. Foreclosure suit brought against the Chicago, Rock Island & Pacific Railroad because of default in the payment of in-

terest on the 4 per cent. collateral trust bonds. Bank of England's weekly statement shows proportion of reserve to liabilities of 19.03 per cent., compared with 17.79 per cent. the previous week. Money, 6@8 per cent., demand sterling eases off to \$5.04 $\frac{1}{4}$, and cables to \$5.05 $\frac{1}{4}$.

Friday, Sept. 4

Reports of heavy export business results in further excited trading in wheat, with prices advancing to new high records for the season. In New York the September option was quoted 5c a bushel higher, at \$1.30, and in Chicago $5\frac{1}{4}$ c higher, at \$1.21. Announcement that leading banking houses, banks, and trust companies have undertaken to supply the city with \$100,000,000 to care for its obligations which will mature this year, including the \$80,000,000 which the city owes abroad, chiefly in London. Demand sterling declines to \$5, and cables to \$5.01; money on call, 6@8 per cent.

Saturday, Sept. 5

Wheat market closes 1@ $1\frac{1}{2}$ c a bushel lower. Bank statement shows an increase in the deficit of \$3,272,000.

Rayburn Bill to be Dropped

Senator Newlands, Chairman of the Interstate Commerce Committee, which has charge of the measure, announced last Tuesday that the Rayburn Railroad Securities bill will not be considered at this session of Congress, it being deemed unwise to press the bill in view of disturbed conditions attending the war.

Trust Bill Conference

The Trade Commission bill was before the House and Senate conference committees last week, and it was announced that agreement had been reached on the amendments to it.

President Wilson to Confer with Railroad Men

It was announced last week that President Wilson will shortly hold a conference with a number of prominent railroad Presidents. It is said that the conference is to be held at the request of the railroad officials, who desire to make their plans conform to the policies of the Administration.

War Tax

In address to Congress on Friday last President Wilson urged that the Government raise additional revenue of \$100,000,000 through internal taxes in order to meet the falling off in customs receipts.

New York City Debt to Be Paid

J. P. Morgan & Co. and Kuhn, Loeb & Co., co-operating with other banks and trust companies in this city, have undertaken to supply the City of New York with \$100,000,000 to care for its obligations which will mature this year, including the \$80,000,000 which the city owes abroad, chiefly in London. This transaction is one of the most important financial operations ever undertaken, and it is expected to exert a most beneficial influence.

Credit for South America

Consuls General of the leading South American countries held a meeting in New York last Thursday to formulate plans for establishing credit in this country for South American firms whose business has been stopped by the European trouble. A statement given out after the meeting said that the Spanish-American countries would naturally turn to this country for supplies if a means were found of establishing proper credit facilities for them.

Higher Railway Mail Pay

Report of the Joint Congressional Committee on Railway Mail Pay, made public last Monday, recommends payment of additional compensation to the railroads amounting to about \$3,000,000 a year.

Municipal Bond Sales

Municipal bond sales in August amounted to only \$8,673,412, as against \$31,280,924 in July, and \$19,192,732 in August, 1913, according to The Daily Bond Buyer. Sales for the eight months of this year were \$358,884,285, against \$267,219,619 in the same period of 1913.

Administration Changes

Thomas W. Gregory was sworn in as Attorney General of the United States last Thursday, taking the place of James C. McReynolds, who at the same time was sworn in as an Associate Justice of the United States Supreme Court.

Clayton Anti-Trust Bill Passes Senate

The Clayton Anti-trust bill, supplementing the Sherman act, was passed by the Senate last

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Wednesday, the vote being 46 to 16. Prior to its passage the Cummins amendment, which declares that "the labor of human beings is not a commodity or article of commerce," was adopted. The Reed amendment, providing that no corporation engaged in interstate commerce shall acquire any capital stock in another corporation in the same business, was rejected by a vote of 27 to 22. An amendment offered by Senator Shields to the holding company section of the bill was adopted. The bill read to the effect that no corporation shall acquire stock in another when the effect of such acquisition "is to eliminate or substantially lessen competition." The amendment adopted strikes out the word "substantially."

Congress Adjournment to be Postponed?

Senator Kern, majority leader, said last week that there was little prospect of an early adjournment of Congress, despite the current report that it would adjourn on Oct. 1.

Seamen's Bill

The Seamen's Relief bill, intended to increase the safety of ocean travel and to provide better conditions for sailors, has been "laid on the shelf" and will probably not come up for consideration again during the present session of Congress, owing to the fact that it would offset the pending emergency legislation designed to aid American shipping.

Release Grain Cargoes

Definite steps have been taken by the State Department to straighten out the international tangle over grain shipments which were diverted to England from other destinations when the war broke out. A special committee has been appointed in England to deal with all such cases on their merits, and no difficulty is expected in regard to the release of cargoes where no question of prize is in issue.

Butte Mine Troubles

Following several serious riots in Butte attending the attempt of union miners to prevent non-members from working, the city was placed under martial law last Wednesday.

Branch Banks in South America

The Federal Reserve Board last week granted to the National City Bank of New York permission to establish branch banks in Rio de Janeiro, Brazil, and Buenos Aires, Argentina. The bank already has two agents in those countries making preliminary preparations for opening the branches.

British Moratorium Extended

The British moratorium has been extended to Oct. 1. It is believed that the London Stock Exchange will not open until the operation of the moratorium has ceased, and that may result in the New York Stock Exchange remaining closed for a like period.

Consolidated Stock Exchange Not to Open

The Board of Governors of the Consolidated Stock Exchange has decided, in deference to the expressed wish of the Clearing House Committee, not to open the Exchange at this time. The Exchange is, however, considering the establishment of a market for petroleum pipe line certificates.

Cotton Exchange Plan

Members of the New York Cotton Exchange last Thursday approved a plan drawn by a joint committee representing the New Orleans, Liverpool and New York Exchanges, for liquidating outstanding "straddle" accounts. The chief feature of the plan is a provision requiring the deposit by brokers of sufficient funds to margin their long cotton in Liverpool to 5.70 cents, and to 9.90 cents for long cotton in New York, this margin not to be released until proof is given that contracts involved have been closed out.

Switching Charges

All Chicago railroads except the Wabash have filed notice that they will no longer absorb switching and lighterage charges. The action of the railroads is right in line with the Interstate Commerce Commission's recent suggestion that they abolish all free services to shippers.

RAILROADS

Mileage Rates Raised

The Pennsylvania, New Haven, Lehigh Valley, Delaware, Lackawanna & Western and other Eastern roads announced last week that they had filed new tariffs, increasing the rate on interchangeable mileage books from 2 to 2½ cents per mile.

Birmingham, Emsley & Bessemer

The company has defaulted in the semi-annual interest due on an issue of \$2,650,000 first mortgage 5 per cent. bonds.

Chicago, Peoria & St. Louis Railway

Interest due Sept. 1 on the company's prior lien mortgage 4½ per cent. thirty-year gold bonds due March 1, 1930, having been defaulted, a bondholders' protective committee has been formed, comprising Sidney C. Borg, Henry E. Cooper, Thomas Denny and Robert Struthers, Jr., and J. N. Babcock, Secretary. The committee is causing to be prepared a protective agreement which will be ready for distribution in the near future. Bondholders are invited to deposit their bonds in negotiable form with Sept. 1 and all subsequent coupons attached, with the Equitable Trust Company of New York, depository of the committee, which will issue temporary transferable receipts therefor.

Cuba Railroad Company

The company reports for the year ended June 30 last as follows:

	1914.	1913.
Gross earnings	\$5,161,670	\$4,632,040
Operating expenses	2,693,749	2,416,538
Net earnings	2,470,921	2,215,502
Bonds and note interest	954,416	801,222
Net income	1,516,505	1,414,280
Dividends	1,500,000	1,000,000
Surplus	16,506	414,280
Previous surplus	3,396,840	2,982,561
Total surplus	3,413,346	3,396,841

Balance sheet as of June 30 last shows cash on hand and on deposit, New York, \$249,328; cash on deposit to pay bond interest, \$303,950; cash on deposit and in hands of cashier, Camaguey, \$394,984, and total assets and liabilities of \$41,822,150.

Rock Island

A suit filed at Des Moines, Iowa, by Clara McNeil, a stockholder of the Chicago, Rock Island & Pacific Railroad Company, asks that receivers be appointed for that company, and also for the Chicago, Rock Island & Pacific Railway Company, the plaintiff charging that through mismanagement the stock of the railroad company has depreciated to \$25 a share. Charges of dishonesty, fraud, and conspiracy are made against the Central Trust Company of New York, D. G. Reid, E. S. Moore, J. S. Moore, and other majority stockholders, and the removal of Mr. Reid and his associates as Directors is asked.

Northern Pacific

President Hannafoord gave out a statement last week, in part as follows: "I am sure that Northern Pacific will move more grain this fiscal year than last. The bad spots turned out better than anticipated, and the good ones came up to expectations. There is no congestion on our lines. Grain is not being rushed to market. There are facilities at the Twin Cities and the head of the lakes for storing 50,000,000 bushels of wheat, and it does not appear as if these elevators would be taxed. The farmer, wherever possible, is storing his grain at the country elevator, and holding on to his receipts. He expects wheat to go higher, and is keeping his ownership of the grain in anticipation of the rise in prices. In the end it will be better for Northern Pacific if the grain does not come into market in great bulk, but is spread over several months. The longer the transportation period lasts the cheaper it will be for the road to haul the tonnage. August earnings will probably show a small decrease. Carloadings as a whole are about even with the corresponding time of last year."

Long Island Railroad

President Ralph Peters said last week: "Along with other kinds of business, the Long Island Railroad has not been able to make a good showing this year, due to a falling off in transient business, which represents a large part of the company's revenue. This is no doubt due to the general depression, although during June and July bad weather conditions prevailed. The commutation business during the Summer months has shown a satisfactory increase over the previous year, however."

INDUSTRIALS, MISCELLANEOUS

American Can Company

Hearings in the Government's suit for the dissolution of the company, which began at Seattle last Monday, have been postponed to Sept. 9.

American Hide and Leather Company

Income account for the year ended June 30, 1914, compares as follows:

	1914.	1913.	1912.	1911.
Gross output	\$17,759,076	\$14,674,072	\$17,581,364	\$15,448,241
Hides used and merch.	12,187,687	13,241,245	11,785,814	9,978,776
Mfg. supplies and exp.	3,264,645	3,676,261	3,255,261	3,293,251
Repl. ren. &c.	188,296	214,544	184,834	162,591
Discounts	754,180	760,477	731,038	682,927
Total deduc.	16,394,788	17,892,526	15,956,948	14,117,545
Mfg. profit	1,364,288	1,781,246	1,624,417	1,330,696
Gen. and selling expenses	529,103	507,217	478,948	483,320
Bad debts, &c.	17,195	12,741	23,392	28,441
Net earnings	817,990	1,261,288	1,122,076	818,934
Interest, sinking fund, &c.	710,786	785,770	699,256	714,670
Surplus	*107,206	475,518	422,820	104,265

*Equal to 0.8 per cent. on \$13,000,000 preferred stock as compared with 3.6 per cent. earned on same stock previous year. †Less miscellaneous income, \$41,202, for 1914.

American Steel Foundries Company

The company's report for the quarter ended June 30, 1914, compares as follows:

	1914.	1913.	1912.	1911.
†Net earn.	\$243,210	\$533,204	\$291,502	\$516,163
Other inc.	24,534	18,641	7,416	13,053
Total inc.	267,744	551,845	298,918	\$3,114
Chs. & depr.	292,447	296,206	196,016	161,946
Deficit	24,704	*255,639	*102,902	165,060

*Surplus. †After deducting manufacturing, selling, administrative and other expenses. ‡Deficit.

H. B. Claflin Company

The plan of settlement, providing for a cash payment of 15 per cent. of the company's indebtedness, the remainder to be paid in notes, recently drawn by the Noteholders' Committee, has been accepted in the main by the General Mercantile Creditors' Committee.

Cuba Company

The company reports for the year ended June 30 last, in comparison with the preceding year, as follows:

	1914.	1913.
Gross earnings	\$4,443,569	\$2,761,675
Operating expenses	3,294,477	2,693,253
Net earnings	1,159,082	723,392
Net income	1,226,569	809,127
Charges	32,461	29,900
Balance	1,194,108	779,227
Dividends due to railroad cos.	600,000	400,000
Total income	1,794,168	1,179,227
Interest, &c.	369,805	407,768
Balance	1,424,363	771,519
Dividends	685,184	771,519
Surplus	739,179	771,519
Previous surplus adjusted	2,711,625	1,893,144
Total surplus	3,450,804	2,664,663

International Steam Pump Company

Foreclosure suit was brought against the company last week on the mortgage securing its issue of \$9,347,000 first mortgage bonds by the Guaranty Trust Company, Trustee. Interest on the bonds had been defaulted. Receivers will continue the business without interruption.

Seaboard Cement Company

A suit has been filed in the Supreme Court by William F. Allen, receiver of the Seaboard Cement Company, to recover \$1,000,000 damages from Edwin C. Willets, a Director of the company, the plaintiff alleging that Mr. Willets through failure to attend to his duties properly has lost that amount to the company and charging "false and fictitious entries" were made on the books of the company. He states that the stock has been made worthless, that the value of the mortgage on the property has been reduced greatly, and that the company owes \$2,000,000 above its assets.

Vulcan Detinning Company

The company reports for six months ended June 30:

	1914.	1913.
Sales	\$396,894	\$319,420
Decrease, inventories finished products	29,262	*24,157
Total sales	426,156	343,577
Operating expenses, &c.	453,234	475,610
Deficit	25,078	132,042
Other income	692	339
Deficit	24,386	131,703
Preferred dividend		28,250
Final deficit	24,386	159,953
Previous surplus adjusted	414,881	447,733
Total surplus	390,494	289,780

*Increase in inventories of finished products.

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MINES AND METALS

Foreign Copper Supply

The visible supply of copper in England and France and afloat thereto on Aug. 1 was 27,045 tons, comparing as follows:

	1914.	1913.	1912.	1911.	1910.
Jan. 1	21,034	40,390	57,283	83,707	106,022
Feb. 1	16,865	38,228	55,570	83,196	110,808
March 1	18,530	36,176	51,507	82,387	113,455
April 1	17,023	32,291	50,175	82,267	111,432
May 1	20,300	30,467	40,771	78,006	110,207
June 1	24,332	29,634	44,618	72,613	106,815
July 1	25,608	28,172	41,623	70,172	103,951
Aug. 1	27,045	28,374	45,026	68,025	99,230

Copper Exports

Exports of copper in August were 19,676 tons, comparing as follows:

	1914.	1913.	1912.	1911.	1910.
January	35,506	24,650	30,967	29,357	26,000
February	34,384	26,767	35,418	18,062	25,238
March	46,504	42,428	27,074	23,200	19,963
April	34,787	33,024	23,341	27,406	31,002
May	31,948	38,251	32,084	26,055	20,832
June	35,182	27,808	26,547	30,074	23,430
July	34,145	29,006	25,445	34,955	22,875
August	19,676	34,722	29,526	27,898	27,876

Calumet and Hecla

For the first time since 1884 the company has passed a dividend. Statement of Directors says: "In view of the unsettled condition of the copper market in this country and the interruption of the company's business with its foreign customers, the Directors have decided not to declare a dividend at the present time. The product of the mine will be curtailed and the salaries of all employees and officers will be reduced."

Granby Consolidated

Reports for July:

	Phoenix.	Hidden Creek.	Total.
Copper (pounds)	1,658,080	456,000	2,114,080
Silver (ounces)	37,953	7,340	45,293
Gold (ounces)	3,484	182	3,666

The old property at Phoenix and Grand Forks closed down early in August, in line with the general curtailment policy of copper producers.

Mass Consolidated

In July Mass Consolidated Mining shipped 23,200 tons of rock to the mill, which compares with previous months as follows:

Month.	Tons Rock.	Month.	Tons Rock.
July	23,200	April	11,671
June	24,686	March	4,547
May	21,819		

Mexican Mine Resumes

The Esperanza Mine at El Oro has resumed, following a suspension of four months, and 3,000 men will be employed.

Mohawk

August output was 730 tons of mineral, comparing as follows:

	1914.	1913.	1912.	1911.
June	723	410	463	560
July	734	276	500	516
August	730		419	567

Porphyry Production

The following statement has been given out regarding the production of the Porphyry Mines: "Although curtailment to a 50 per cent. basis was not ordered at the porphyry properties until Aug. 6, and therefore September will be the first month in which full reduction of production will show, the result of curtailment for 25 days out of the 31 days of August is shown in the following comparative table of production of the four porphyries for July and August:

	July	August
Utah Copper	13,768,958 lbs.	8,225,000 lbs.
Chino Copper	5,087,750 "	3,139,322 "
Ray Consolidated	6,008,061 "	3,300,000 "
Nevada Consolidated	5,477,313 "	3,200,000 "

Quincy Mining Company

Output for July and seven months compares as follows:

	1914.	1913.	1912.	1911.	1910.
July	1,115	746	1,252	1,300	1,400
Seven mo's	5,530	7,710	8,821	9,282	9,687

Shannon Copper Company

The company reports output of blister copper for July as 1,084,000 pounds, comparing as follows:

	1914.	1913.	1912.
July	1,084,000	880,409	1,446,000
Seven months	7,132,000	7,763,409	9,982,000

Wolverine Copper Mining Company

The company has declared a dividend of \$2 a share, payable Oct. 2, to holders of record Sept. 12. Production compares as follows (tons):

	1914.	1913.	1912.	1911.
March	374	429	510	508
April	381	320	377	400
May	415	331	384	401
June	472	313	339	429
July	413	217	314	385
August	382		480	567

Would Have Lower Argentine Taxes

Newspapers in the Province of San Juan, Argentina, state that the economic situation through which that province is passing is very delicate. The crisis occasioned by the low price for grapes and wine, its principal industry, has brought the province face to face with very serious difficulties. The producers are calling upon the Government to intervene in their relief. Every effort has been made to secure more capital and get more liberal terms regarding discounts from the banks, but the strain has not lessened. The growers are looking to the Government to diminish or abolish some of the taxes.

State of Employment in England

Employment in the United Kingdom in July showed a further decline, but still remained good on the whole at the end of the month, according to The Board of Trade Labour Gazette (London.) Returns from 3,138 trade unions with a net membership of 988,946 showed that 28,013, or 2.8 per cent. of their members, were unemployed at the end of July, 1914, compared with 2.4 per cent. at the end of June, 1914, and 1.9 per cent. at the end of July, 1913.

Trade.	Membership at end of July, 1914.	Unemployed at end of July, 1914.	Per cent. unemployed.	Inc. (+) or Dec. (-) in Percentage unemployed as compared with a Month ago.	Year ago.
Building	72,110	2,251	3.1	+ 0.3	- 0.1
Coal Mining	106,800	712	0.5	..	+ 0.1
Iron and Steel	37,082	2,078	5.3	..	+ 2.5
Engineering	225,985	7,398	3.4	+ 0.4	+ 1.5
Shipbuilding	74,365	4,806	6.4	+ 2.2	+ 3.8
Miscellaneous Metal	37,065	519	1.4	- 0.1	- 0.4
Textiles					
Cotton	88,507	3,455	3.9	+ 1.7	+ 2.3
Woolen & Worsted	8,641	370	4.3	- 0.8	- 0.4
Other	62,700	1,295	1.9	+ 0.7	+ 0.6
Printing, Bookbinding and Paper	67,274	1,088	2.5	- 0.7	- 0.8
Furnishing and Woodworking	56,400	1,280	2.3	+ 0.3	- 0.1
Clothing	67,748	1,127	1.7	..	+ 0.1
Leather	4,270	221	5.2	+ 0.5	+ 1.0
Glass	186	6	0.6	+ 0.1	+ 0.2
Pottery	7,543	56	0.7	- 0.1	+ 0.1
Tobacco	2,240	103	4.5	+ 0.9	- 0.2
Total	988,946	28,013	2.8	+ 0.4	+ 0.9

There was little change in the building, iron and steel, tinplate, and engineering trades, but the shipbuilding trades were not so fully employed, and there was a decrease in the number of pig-iron furnaces in blast. There was some recovery in the lace and hosiery trades, but employment in other branches of the textile industries showed a further contraction, especially in the cotton trade.

Compared with July, 1913, employment showed a falling off in most of the principal industries. The decline was most marked in the pig iron, iron and steel, cotton and woolen trades. In the tinplate trade there was a considerable increase in the number of mills working.

Lessening Waste by Noise

The noises due to the operation of railroads and rapid transit lines may be considerably lessened if experiments being tried out by the New York Central, the Pennsylvania, and the Interborough Rapid Transit are successful. These companies are trying tie pads made of felt, manufactured out of cow's hair and a special tar. They are placed between all tie plates and the ties to absorb the shock, preserve the ties, and particularly in terminals, to eliminate noise. In Europe it is claimed that one company, by using several millions of the pads each year, has added one-third to the life of ties. The pads are being used in the Grand Central Terminal, where the rail is carried on wooden blocks imbedded in concrete.

Dividends Declared and Awaiting Payment

STEAM RAILROADS.					INDUSTRIAL AND MISCELLANEOUS					Company Rate. Paid. Books					Company Rate. Paid. Books					
Company.	Rate.	Pay- able.	Books Close.		Company.	Rate.	Pay- able.	Books Close.		Company.	Rate.	Pay- able.	Books Close.		Company.	Rate.	Pay- able.	Books Close.		
Atl. C. Line.	\$1.50	Q Sep. 10	Aug. 31		Am. E. Note pf. 1/2	Q Oct. 1	*Sep. 15			Diamond Match	1/2	Q Sep. 15	Aug. 31		Phila. Elec.	20c	Q Sep. 15	Aug. 31		
Bos. & Albany.	2	Q Sep. 30	*Aug. 31		Am. E. Sug. pf. 1/2	Q Oct. 1	*Sep. 16			Dom. Tex. Ltd.	1/2	Q Oct. 1	Sep. 15		Pitts. Term. W.	20c	Q Sep. 15	Sep. 1		
Can. Pacific.	2 1/2	Q Oct. 1	Aug. 21		Am. Can. pf. 1/2	Q Oct. 1	*Sep. 16			Du P. P. pf. 1/2	Q Oct. 20	Oct. 15			Pr. Steel Car.	2 1/2	Q Sep. 15	Oct. 1		
Can. Pacific pf. 2	2	Q Oct. 1	Aug. 21		Am. C. & Fdy.	Q Oct. 1	*Sep. 11			Du P. P. pf. 1/2	Q Oct. 1	*Sep. 19			Quaker Oats	2 1/2	Q Oct. 15	*Oct. 1		
C. & N. W.	1 1/2	Q Oct. 1	*Sep. 1		Do pf.	Q Oct. 1	*Sep. 11			E. Steel 1st pf. 1/2	Q Sep. 15	Sep. 1			Quaker Oats pf. 1/2	Q Nov. 30	*Nov. 2			
C. & N. W. pf. 2	2	Q Oct. 1	*Sep. 1		Am. Cigar pf. 1/2	Q Oct. 1	*Sep. 15			Eastman Kod.	2 1/2	Q Oct. 1	Aug. 31		Quaker Oats pf. 1/2	Q Aug. 31	Aug. 1			
Del. & Hudson	2 1/2	Q Sep. 21	*Aug. 28		Am. Loco. pf. 1/2	Q Oct. 21	Sep. 21			Eastman Kod.	2 1/2	Q Oct. 1	Aug. 31		Reynolds (R. J.)	2 1/2	Q Sep. 21	Sep. 4		
Eliz. & Pitts.	1 1/2	Q Sep. 19	*Aug. 31		Am. Pneu. Ser.	Q Oct. 1	*Sep. 15			East Kod. pf. 1/2	Q Oct. 1	Aug. 31			St. Oil (N. J.)	5	Q Sep. 21	Sep. 4		
Int. Rap. Tr.	2 1/2	Q Oct. 1	Sep. 14		1st pf.	\$1.75	Sep. 30	Sep. 12		P. M. & S. pf. 1/2	Q Sep. 15	*Aug. 31			St. Oil (N. J.)	5	Q Sep. 21	Sep. 4		
Manhattan Ry.	1 1/2	Q Oct. 1	Sep. 15		Am. Pneu. Ser.	Q Oct. 1	*Sep. 15			Gal-Sig. Oil	3	Q Sep. 30	*Aug. 31		Tob. (Scrip.)	3	Q Oct. 1	Sep. 10		
M. S. T. P. & S.	3	Q Oct. 15	*Sep. 21		2d pf.	\$1.75	Sep. 30	Sep. 12		Gen. Chem. pf. 1/2	Q Oct. 1	*Sep. 17			Union Carbide	2	Q Oct. 1	Sep. 15		
M. com. & pf. 3 1/2	3 1/2	Q Oct. 15	*Sep. 21		Am. Radiator	2 1/2	Q Sep. 30	Sep. 12		Globe Soap 1st	Q Sep. 15	Aug. 31			Union Carbide	2	Q Oct. 1	Sep. 15		
Norfolk & W.	1 1/2	Q Sep. 19	*Aug. 31		Am. Sr. Pipe	1 1/2	Q Oct. 1	Sep. 19		2d & 3d pf. 1/2	Q Sep. 15	Aug. 31			Union Carbide	2	Q Oct. 1	Sep. 15		
Norfolk & W. pf. 1 1/2	1 1/2	Q Nov. 19	*Oct. 31		Am. Sm. & R.	1 1/2	Q Sep. 15	Aug. 28		Gl. Wernicke	2	Q Sep. 16	Aug. 31			Union Carbide	2	Q Oct. 1	Sep. 15	
St. J., S. B. & S.	1	Q Sep. 15	*Sep. 10		Am. S. & R. pf. 1/2	Q Sep. 1	Aug. 14			Goodrich (R. F.)	Q Oct. 1	Sep. 18			Union Carbide	2	Q Oct. 1	Sep. 15		
Do pf.	2 1/2	Q Sep. 15	*Sep. 10		Am. S. S. pf. 1/2	Q Oct. 1	Sep. 18			Helme (G. W.) Co.	2 1/2	Q Oct. 1	*Sep. 12			Union Carbide	2	Q Oct. 1	Sep. 15	
So. Pacific	1 1/2	Q Oct. 1	*Sep. 1		Do pf.	1 1/2	Q Oct. 1	*Sep. 12		Int. Silver pf. 1/2	Q Oct. 1	Sep. 17			Union Carbide	2	Q Oct. 1	Sep. 15		
Union Pacific	2	Q Oct. 1	*Sep. 1		Am. Snuff	4	Q Oct. 1	*Sep. 12		Int. Sm. P. & C.	Q Oct. 1	*Sep. 16			Union Carbide	2	Q Oct. 1	Sep. 15		
Union Pac. pf. 2	2	Q Oct. 1	*Sep. 1		Am. St. Fds.	1 1/2	Q Sep. 30	Sep. 12		Kresge (S. S.)	Q Oct. 1	*Sep. 16			Union Carbide	2	Q Oct. 1	Sep. 15		
					Am. Sugar Ref.	1 1/2	Q Oct. 2	Sep. 1		La. C. W. pf. 1/2	Q Sep. 30	Sep. 21			Union Carbide	2	Q Oct. 1	Sep. 15		
					Am. S. Ref. pf. 1/2	Q Oct. 2	Sep. 1			L. & M. Tob. pf. 1/2	Q Oct. 1	*Sep. 15			Union Carbide	2	Q Oct. 1	Sep. 15		
					Am. Tobacco	5	Q Sep. 1	*Aug. 15		Lorillard (F.) Co.	2 1/2	Q Oct. 1	*Sep. 15			Union Carbide	2	Q Oct. 1	Sep. 15	
					Am. Tobacco	5	Q Sep. 1	*Aug. 15		Do pf.	1 1/2	Q Oct. 1	*Sep. 15			Union Carbide	2	Q Oct. 1	Sep. 15	
					Am. Tobacco	5	Q Sep. 1	*Aug. 15		Mackay Cos. pf. 1/2	Q Oct. 1	*Sep. 9			Union Carbide	2	Q Oct. 1	Sep. 15		
					Am. Tobacco	5	Q Sep. 1	*Aug. 15		Merg. Lino. type	2 1/2	Q Sep. 30	*Sep. 5			Union Carbide	2	Q Oct. 1	Sep. 15	
					Am. Tobacco	5	Q Sep. 1	*Aug. 15		Mont. Ward	1 1/2	Q Oct. 1	Sep. 20			Union Carbide	2	Q Oct. 1	Sep. 15	
					Am. Tobacco	5	Q Sep. 1	*Aug. 15		Mont. Ward	1 1/2	Q Oct. 1	Sep. 20			Union Carbide	2	Q Oct. 1	Sep. 15	
					Am. Tobacco	5	Q Sep. 1	*Aug. 15		Mont. Ward	1 1/2	Q Oct. 1	Sep. 20			Union Carbide	2	Q Oct. 1	Sep. 15	
					Am. Tobacco	5	Q Sep. 1	*Aug. 15		Mont. Ward	1 1/2	Q Oct. 1	Sep. 20			Union Carbide	2	Q Oct. 1	Sep. 15	
					Am. Tobacco	5	Q Sep. 1	*Aug. 15		Mont. Ward	1 1/2	Q Oct. 1	Sep. 20			Union Carbide	2	Q Oct. 1	Sep. 15	
					Am. Tobacco	5	Q Sep. 1	*Aug. 15		Mont. Ward	1 1/2	Q Oct. 1	Sep. 20			Union Carbide	2	Q Oct. 1	Sep. 15	
					Am. Tobacco	5	Q Sep. 1	*Aug. 15		Mont. Ward	1 1/2	Q Oct. 1	Sep. 20			Union Carbide	2	Q Oct. 1	Sep. 15	
					Am. Tobacco	5	Q Sep. 1	*Aug. 15		Mont. Ward	1 1/2	Q Oct. 1	Sep. 20			Union Carbide	2	Q Oct. 1	Sep. 15	
					Am. Tobacco	5	Q Sep. 1	*Aug. 15		Mont. Ward	1 1/2	Q Oct. 1	Sep. 20			Union Carbide	2	Q Oct. 1	Sep. 15	
					Am. Tobacco	5	Q Sep. 1	*Aug. 15		Mont. Ward	1 1/2	Q Oct. 1	Sep. 20			Union Carbide	2	Q Oct. 1	Sep. 15	
					Am. Tobacco	5	Q Sep. 1	*Aug. 15		Mont. Ward	1 1/2	Q Oct. 1	Sep. 20			Union Carbide	2	Q Oct. 1	Sep. 15	
					Am. Tobacco	5	Q Sep. 1	*Aug. 15		Mont. Ward	1 1/2	Q Oct. 1	Sep. 20			Union Carbide	2	Q Oct. 1	Sep. 15	
					Am. Tobacco	5	Q Sep. 1	*Aug. 15		Mont. Ward	1 1/2	Q Oct. 1	Sep. 20			Union Carbide	2	Q Oct. 1	Sep. 15	
					Am. Tobacco	5	Q Sep. 1	*Aug. 15		Mont. Ward	1 1/2	Q Oct. 1	Sep. 20			Union Carbide	2	Q Oct. 1	Sep. 15	
					Am. Tobacco	5	Q Sep. 1	*Aug. 15		Mont. Ward	1 1/2	Q Oct. 1	Sep. 20			Union Carbide	2	Q Oct. 1	Sep. 15	
					Am. Tobacco	5	Q Sep. 1	*Aug. 15		Mont. Ward	1 1/2	Q Oct. 1	Sep. 20			Union Carbide	2	Q Oct. 1	Sep. 15	
					Am. Tobacco	5	Q Sep. 1	*Aug. 15		Mont. Ward	1 1/2	Q Oct. 1	Sep. 20			Union Carbide	2	Q Oct. 1	Sep. 15	
					Am. Tobacco	5	Q Sep. 1	*Aug. 15		Mont. Ward	1 1/2	Q Oct. 1	Sep. 20			Union Carbide	2	Q Oct. 1	Sep. 15	
					Am. Tobacco	5	Q Sep. 1	*Aug. 15		Mont. Ward	1 1/2	Q Oct. 1	Sep. 20			Union Carbide	2	Q Oct. 1	Sep. 15	
					Am. Tobacco	5	Q Sep. 1	*Aug. 15		Mont. Ward	1 1/2	Q Oct. 1	Sep. 20			Union Carbide	2	Q Oct. 1	Sep. 15	
					Am. Tobacco	5	Q Sep. 1	*Aug. 15		Mont. Ward	1 1/2	Q Oct. 1	Sep. 20			Union Carbide	2	Q Oct. 1	Sep. 15	
					Am. Tobacco	5	Q Sep. 1	*Aug. 15		Mont. Ward	1 1/2	Q Oct. 1	Sep. 20			Union Carbide	2	Q Oct. 1	Sep. 15	
					Am. Tobacco	5	Q Sep. 1	*Aug. 15		Mont. Ward	1 1/2	Q Oct. 1	Sep. 20			Union Carbide	2	Q Oct. 1	Sep. 15	
					Am. Tobacco	5	Q Sep. 1	*Aug. 15		Mont. Ward	1 1/2	Q Oct. 1	Sep. 20			Union Carbide	2	Q Oct. 1	Sep. 15	
					Am. Tobacco	5	Q Sep. 1	*Aug. 15		Mont. Ward	1 1/2	Q Oct. 1	Sep. 20			Union Carbide	2	Q Oct. 1	Sep. 15	
					Am. Tobacco	5	Q Sep. 1	*Aug. 15		Mont. Ward	1 1/2	Q Oct. 1	Sep. 20			Union Carbide	2	Q Oct. 1	Sep. 15	
					Am. Tobacco	5	Q Sep. 1	*Aug. 15		Mont. Ward	1 1/2	Q Oct. 1	Sep. 20			Union Carbide	2	Q Oct. 1	Sep. 15	
					Am. Tobacco	5	Q Sep. 1	*Aug. 15		Mont. Ward	1 1/2	Q Oct. 1	Sep. 20			Union Carbide	2	Q Oct. 1	Sep. 15	
					Am. Tobacco	5	Q Sep. 1	*Aug. 15		Mont. Ward	1 1/2	Q Oct. 1	Sep. 20			Union Carbide	2	Q Oct. 1	Sep. 15	
					Am. Tobacco	5	Q Sep. 1	*Aug. 15		Mont. Ward	1 1/2	Q Oct. 1	Sep. 20			Union Carbide	2	Q Oct. 1	Sep. 15	
					Am. Tobacco	5	Q Sep. 1	*Aug. 15		Mont. Ward	1 1/2	Q Oct. 1	Sep. 20			Union Carbide	2	Q Oct. 1	Sep. 15	
					Am. Tobacco	5	Q Sep. 1	*Aug. 15		Mont. Ward	1 1/2	Q Oct. 1	Sep. 20			Union Carbide	2	Q Oct. 1	Sep. 15	
					Am. Tobacco	5	Q Sep. 1	*Aug. 15		Mont. Ward	1 1/2	Q Oct. 1	Sep. 20			Union Carbide	2	Q Oct. 1	Sep. 15	
					Am. Tobacco	5	Q Sep. 1	*Aug. 15		Mont. Ward	1 1/2	Q Oct. 1	Sep. 20			Union Carbide	2	Q Oct. 1	Sep. 15	
					Am. Tobacco	5	Q Sep. 1	*Aug. 15		Mont. Ward	1 1/2	Q Oct. 1	Sep. 20			Union Carbide	2	Q Oct. 1	Sep. 15	
					Am. Tobacco	5	Q Sep. 1	*Aug. 15		Mont. Ward	1 1/2	Q Oct. 1	Sep. 20			Union Carbide	2	Q Oct. 1	Sep. 15	
					Am. Tobacco	5	Q Sep. 1	*Aug. 15		Mont. Ward	1 1/2	Q Oct. 1	Sep. 20			Union Carbide	2	Q Oct. 1	Sep. 15	
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					Am. Tobacco	5	Q Sep. 1	*Aug. 15		Mont. Ward	1									

Crops

August Report Promises A Bumper Cotton Crop

Condition of 78 Per Cent. Indicates a Yield of More Than 15,500,000 Bales, and Further Improvement Is Possible

THE past month has been an exceedingly favorable one for the growing cotton plant. The condition of the crop on Aug. 25 is placed by the United States Department of Agriculture's reporting board at 78 per cent. of normal, as against 76.4 a month previous. That is nearly 10 points above the condition on Aug. 25 last year, when the figures were 68.2 per cent., and compares with 74.8 per cent. in 1912, and the ten-year average of 73.4 per cent. The eastern part of the cotton belt was particularly favored by the weather in the early part of the month, especially in Alabama and Georgia, where beneficial rains fell, as well as in certain parts of Mississippi and the Carolinas, which also had good showers. West of the Mississippi, however, there was a deficiency of moisture, particularly in Texas and Oklahoma, where the plant in many places was reported to have suffered severely from the hot, dry weather.

FAVORABLE WEATHER

The middle of the month found the eastern part of the belt still enjoying good weather, and the central portion was also favored in that way, so that the plant made rapid growth in both sections, and picking was well under way in the southern districts. Frequent and heavy rains were delaying picking in Georgia. In Texas, the drought was generally relieved by good rains. Almost throughout the belt favorable weather conditions prevailed in the latter part of the month, and the plant made rapid progress. Comparison of conditions by States follows:

States—	Aug. 25, July 25, Aug. 25—10-year				
	1914.	1914.	1913.	1912.	av'go.
Virginia	86	89	80	80	81
North Carolina...	82	86	78	75	77
South Carolina...	77	79	77	73	76
Georgia	81	82	76	70	76
Florida	83	86	81	73	78
Alabama	77	81	72	75	74
Mississippi	75	79	69	70	73
Louisiana	66	76	67	74	68
Texas	79	71	64	76	70
Arkansas	75	72	72	77	76
Tennessee	76	73	80	76	82
Missouri	72	75	72	78	83

Oklahoma	80	75	45	84	73
California	98	100	96	95	..
United States.	78.0	76.4	68.2	74.8	73.4

GREAT PRODUCTION

The condition on July 25 indicated a yield of 179 pounds per acre on a planted area of 36,960,000 acres. That would have produced 6,616,000,000 pounds of lint, or approximately 13,850,000 bales of 500 pounds gross weight. The official figures show the equivalent in yield of 100 per cent. condition on Aug. 25 to have been 259.7. Allowing 1 per cent. for abandonment of acreage, the Aug. 25 condition of 78 per cent. would produce on that basis a yield of over 7,400,000,000 pounds of lint, or 15,500,000 bales of 500 pounds gross weight. The crop last year amounted to 14,156,486 bales, so that the indicated yield this year is more than 1,300,000 bales, or about 9 per cent., greater than it was in 1913. The record crop was that of 1911, when 16,100,000 bales were produced.

Since Aug. 25 private reports indicate that favorable conditions prevailing in the latter part of the month have continued, and it is therefore entirely possible that the final returns will show this year's crop to be greater than the present report indicates, and it may even approach very closely that of the record year.

Northwestern Miller

There has been considerable rain in the Northwest during the past week, and this has had the effect of retarding harvest. This situation particularly applies to North Dakota, where thrashing has been interrupted; at best the moisture is not good for the quality of the wheat standing in the fields. A moderate amount of thrashing has so far been done. However, line elevator companies report deliveries of wheat to date in Minnesota and the Dakotas have been much less than a year ago. Elevator estimates of the wheat crop of three States still ranged from 175,000,000 to 190,000,000 bushels.

The Chicago Grain Markets

Quotations on the Chicago market last week were as follows:

CHICAGO

WHEAT

	Sept.		Dec.		May.	
	High.	Low.	High.	Low.	High.	Low.
Aug. 31.....	1.12	1.00	1.16	1.14	1.23	1.21
Sept. 1.....	1.12	1.08	1.16	1.12	1.22	1.19
Sept. 2.....	1.11	1.09	1.15	1.13	1.23	1.20
Sept. 3.....	1.14	1.12	1.18	1.15	1.25	1.22
Sept. 4.....	1.21	1.16	1.23	1.19	1.31	1.28
Sept. 5.....	1.21	1.19	1.24	1.21	1.32	1.28
Week's range...	1.21	1.08	1.24	1.12	1.32	1.17

CORN

	May.		Sept.		Dec.	
	High.	Low.	High.	Low.	High.	Low.
Aug. 31.....	80	79	73	72	74	73
Sept. 1.....	79	78	73	71	74	73
Sept. 2.....	81	78	74	71	74	73
Sept. 3.....	81	80	75	73	77	76
Sept. 4.....	82	81	77	74	79	77
Sept. 5.....	82	81	79	75	79	78
Week's range....	82	78	77	71	79	73

OATS

	May.		Sept.		Dec.	
	High.	Low.	High.	Low.	High.	Low.
Aug. 31.....	49	48	52	51	54	54
Sept. 1.....	48	47	52	51	54	54
Sept. 2.....	49	47	52	51	54	54
Sept. 3.....	49	49	53	52	56	55
Sept. 4.....	51	49	54	53	57	56
Sept. 5.....	51	51	54	54	58	57
Week's range....	51	47	54	51	58	54

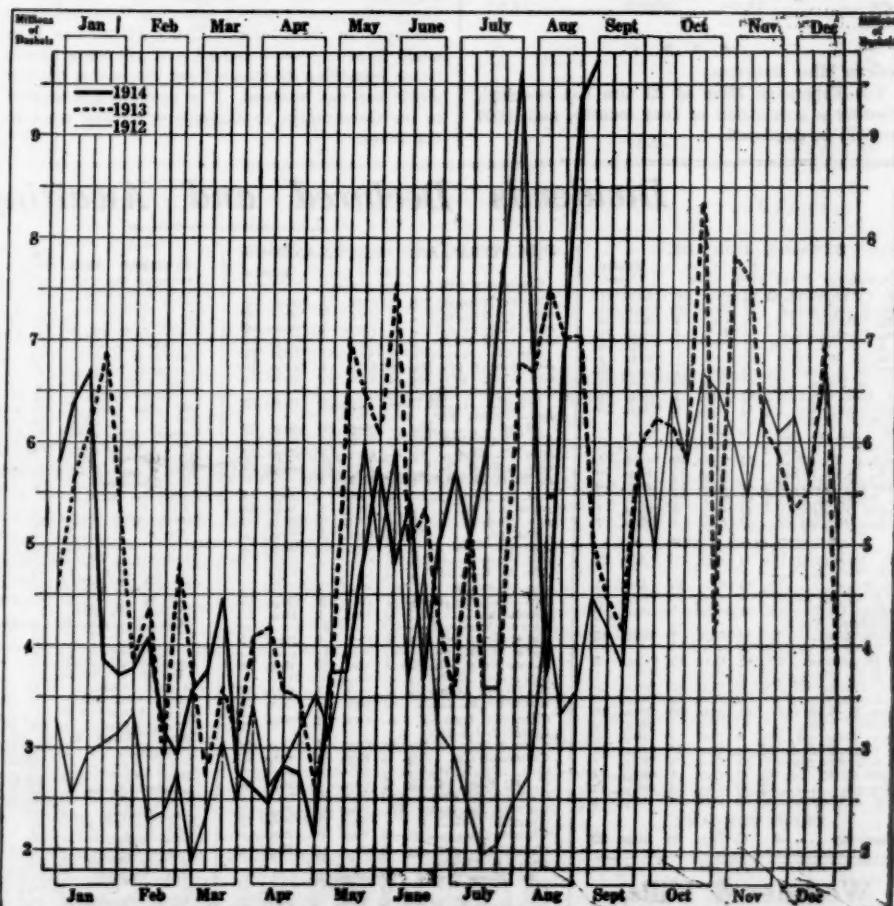
Modern Miller

Following general rains, the condition of ground is excellent for seeding throughout the Winter wheat belt. All our advices indicate that farmers are busy plowing and will put in a larger acreage of wheat this year. In the Spring wheat States improved weather aided the thrashing of wheat. Many sections report light yields and a tendency among farmers to hold their wheat.

Cotton Estimate

The New Orleans Cotton Exchange has issued its report of the crop for the year ending Aug. 31, 1914. It shows: Port receipts 10,539,555 bales, overland 1,184,218, Southern consumption 2,864,818, total 14,588,597, as compared with the total of the New York Cotton Exchange of 14,552,456 bales. Total Southern consumption was figured 3,037,300 bales, including 172,490 taken from and counted at seven outports.

The Trend of Wheat and Flour Exports



This chart shows the weekly exports from the United States of wheat and flour since January, 1912, as compiled by Bradstreet's. Last week they rose to the highest point touched in the three years charted.

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